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ABSTRACT

This resource guide results from a joint project of the Texas Council on Economic Education and the Texas Education Agency. For each of the elementary school grades, the guide presents interdisciplinary lessons that feature an integrated approach to the teaching of economics. The lessons are devoted to a number of basic economics concepts. The understanding of these concepts will provide students a foundation on which to build economics knowledge and skills for lifelong use. An economics concept chart is presented with scope and sequence noted for each grade level. Lessons focus on the economics concepts of: (1) scarcity; (2) wants; (3) resources; (4) goods and services; (5) opportunity costs; (6) production; (7) specialization; (8) exchange; (9) money; (10) economic systems; (11) economic institutions and incentives; (12) markets and prices; (13) supply and demand; (14) competition; (15) income distribution; (16) role of government; (17) unemployment; and (18) absolute and comparative advantage. Attachments and supplementary materials accompany the lessons. (EH)

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A Curriculum Resource Guide for

Economics

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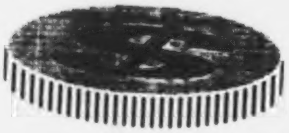

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FOREWORD

A Curriculum Resource Guide for Economics, Kindergarten-Grade 6, has been jointly developed by the Texas Council on Economic Education and the Texas Education Agency. Funding for development was provided to the Texas Council on Economic Education by the J. C. Penney Foundation, The Sid Richardson Foundation, The Brown Foundation, and Santa Fe Resources.

For each of the elementary school grades, the guide presents interdisciplinary lessons that feature an integrated approach to the teaching of economics. The lessons are devoted to a number of basic economics concepts. The understanding of these concepts will provide students a foundation on which to build economics knowledge and skills for lifelong use.

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Scope & Sequence of Lessons

Concept	Kinder	First	Second	Third	Fourth	Fifth	Sixth
Scarcity	x	x		x	x	x	x
Wants	xxx	x					
Resources	x		xxxx	x			
Goods/Service	x	x	x				
Opp. Costs			xx	x	x	x	x
Production		x	x	x	x	x	
Specialization			x	x	x	x	
Exchange	x	x	x	x	x	x	x
Money		x	x	x	x	x	x
Economic Systems					x	x	x
Economic Institutions & Incentives					x	x	x
Markets & Prices	x		x	x	x		x
Supply & Demand					x	x	x
Competition				x	x	x	x
Income Dist.			x				x
Role of Gov.			x	x	x	x	x
Unemploy.					x	x	x
Absolute & Compart. Advantage					x	x	x

Lesson Sequence

Kindergarten

1. Satisfy Wants
2. Economic Wants
3. Exchange
4. Goods
5. Services
6. Market Price
7. Property Ownership
8. Family Wants
9. Scarcity

Grade 1

1. Wants
2. Goods
3. Services
4. Scarcity
5. Opportunity Cost
6. Price
7. Production
8. Money
9. Exchange

Grade 2

1. Opportunity cost
2. Producers
3. Productive Resources
4. Natural Resources
5. Human Resources
6. Capital
7. Specialization
8. Consumers
9. Choices
10. Exchange
11. Markets
12. Market Competition
13. Income Distribution
14. Role of Government

Grade 3

1. Scarcity
2. Resources
3. Opportunity Costs and Trade Offs
4. Specialization & Production
5. Exchange & Money
6. Markets & Prices
7. Markets & Competition
8. Role of Government

Lesson sequence, continued

Grade 4

1. Productivity
2. Exchange & Money
3. Economic Systems
4. Economic Incentives & Institutions
5. Supply & Demand
6. Competition
7. Role of Government
8. Unemployment
9. Absolute & Comparative Advantage

Grade 5

1. Opportunity Cost
2. Productivity
3. Money & Exchange
4. Market System
5. Economic Institutions & Incentives
6. Equilibrium Price
7. Scarcity
8. Competition
9. Role of Government
10. Unemployment
11. Comparative Advantage

Grade 6

1. Scarcity
2. Opportunity Costs & Trade Offs
3. Productivity
4. Economic Systems
5. Economic Institutions & Incentives
6. Exchange & Money
7. Market Prices
8. Supply & Demand
9. Competition & Markets
10. Income Distribution
11. Unemployment
12. Absolute & Comparative Advantage
13. Role of Government

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Kindergarten

K

Grade Level: **Kindergarten**

Concept: **Different Ways to Satisfy Wants**

Teacher Terms

Different people have different ways of satisfying wants.

Student Terms

Families satisfy their wants in different ways.

Objectives

The kindergarten student will be able:	**to identify ways economic wants of family members are met.**

Resource Materials

- Grocery store ads
- Scissors, glue, pencils, paint, crayons, markers, tape
- Pilgrim Econ Family and Today's Econ Family (Attachments A-D)
- Cups
- Chart paper
- Cassette player, blank tape
- Grocery cart page (Attachment E)
- Sentence strips
- Food boxes and cans
- Grocery cart
- Cash register or calculator
- Grocery bag
- Lincoln logs, blocks
- Cardboard boxes, large and small
- Old magazines and catalogues
- Newsprint
- Sponges
- Cardboard
- Pretzel sticks, craft sticks, or ice cream sticks
- Buffalo skin pattern (Attachment F)

Focus

1. Brainstorm where we, today, can get:
   a. food to cook or something to eat (grocery store, restaurant, garden, butcher shop, farmers' market, home)
   b. clothes to wear (homemade from cloth, bought at store, hand-me-downs, gifts, etc.)
   c. places to live (house, apartment, mobile home, hotel, houseboat, etc.)

2. Brainstorm where Pilgrims got:
   a. food to cook or something to eat (home, garden, woods for game, rivers for fish, etc.)
   b. clothes to wear (homemade from skins, furs, and fabric spun from wool, cotton, etc.; hand-me-downs)
   c. places to live (log cabins, stone huts, caves, teepees, sod houses, etc.)

3. Make Venn diagrams to compare the ways economic wants are met by people today and the way economic wants were met by Pilgrims.

Modeled and Guided Practice

1. Econ Teddy story, Pilgrim Econ Family (Attachments A and B).
Read the story to the students:

Pilgrim Econ Family

Econ Mommy and Econ Teddy cook.
Econ Mommy and Econ Teddy sew.
Econ Daddy and Econ Ed build.

2. Class discussion of Pilgrim Econ Family (Attachments A and B).
"What did Econ Mommy and Econ Teddy do to meet the family's wants?"
"What did Econ Daddy and Econ Ed do to meet the family's wants?"

3. Sentence Strips of Pilgrim Econ Family (Attachments A and B).
Put the story on sentence strips. Choral read the strips.

4. Econ Teddy story, Today's Econ Family (Attachments C and D).
Read the story to the students:

Today's Econ Family

Econ Daddy and Econ Ed cook.
Econ Mommy and Econ Teddy buy clothes.
Econ family buys a house.

5. Class discussion of Today's Econ Family (Attachments C and D).
"What did Econ Mommy and Econ Teddy do to meet the family's wants? What did Econ Daddy and Econ Ed do to meet the family's wants? What did the family do together?"

6. Sentence Strips and Big Book of Today's Econ Family (Attachments C and D).
Put story on sentence strips and choral read the strips.

7. Grocery Store.
Have children cut out food pictures from grocery store ads and glue them on the grocery cart page (Attachment E).

8. Song: "Many Wants"
Tune: "She'll Be Comin' Round the Mountain"

Verse 1:
Every family has many wants, yes they do.
Every family has many wants, yes they do.
Every family has many wants,
Every family has many wants,
Every family has many wants, yes they do.

Verse 2: Oh, we go to the store to buy food, yes we do. (etc.)

Verse 3: Oh, we buy or rent our homes, yes we do. (etc.)

Verse 4: Oh, we make or buy our clothes yes we do. (etc.)

Verse 5: Oh, the Pilgrims had gardens, yes they did. (etc.)

Verse 6: Oh, the Pilgrims built their homes, yes they did. (etc.)

Verse 7: Oh, the Pilgrims made their clothes, yes they did. (etc.)

Write the song on chart paper. Sing it several times.

Independent Practice

1. Grocery Store.
Turn the Housekeeping Center into a grocery store by having children bring empty, clean food boxes and cans from home. Provide empty shelves to display food and grocery bags. A grocery cart and cash register or calculator can be added. Let the children take turns shopping and being the grocer.

2. Pilgrim Colony.
Turn the Block Center into a Pilgrim colony using Lincoln logs to build houses. Provide paper and crayons for the children to make forests, animals, streams, and fish. Trees and animals can be taped to blocks so they will stand up.

3. The Mall.
Turn the playhouse into a mall by using cardboard boxes and pictures. Using cut-out ads, have the children sort the pictures into appropriate stores (boxes). The stores could include a clothing store, toy store, hardware store, drug store, and electronics store. The children can go shopping by choosing what they want and checking these items out at the cash register.

4. Log Houses.
Materials: glue, cardboard, and pretzel sticks, craft sticks, or Popsicle sticks. Let the children build Pilgrim log houses on cardboard. Show the children how to build a square log house by alternating the sticks, gluing as they go along. After the houses are dry, let the children take them home.

5. Buffalo Skins.
Materials: grocery bags, poster board, buffalo skin pattern (Attachment E), crayons, scissors (optional: piece of leather or suede). The Pilgrims made clothes out of leather. Draw a buffalo skin pattern on the poster board. Cut it out. Let the children complete the rest of the activity. Trace the pattern onto one thickness of a brown grocery bag. Cut it out. Roll up the cut-out paper into a ball. Squeeze it, unroll it, and roll it up. The more it is worked, the softer it becomes. Compare it to the feel of real leather or suede.

6. Journal writing.
Students will draw pictures of ways their families' needs are met. Have students use inventive writing to explain the pictures or have students dictate the words for the teacher to write.

Evaluation

1. The student will read the small books about the Pilgrim Econ Family and Today's

Econ Family (Attachments A-D). The student will name a way a family meets its needs.

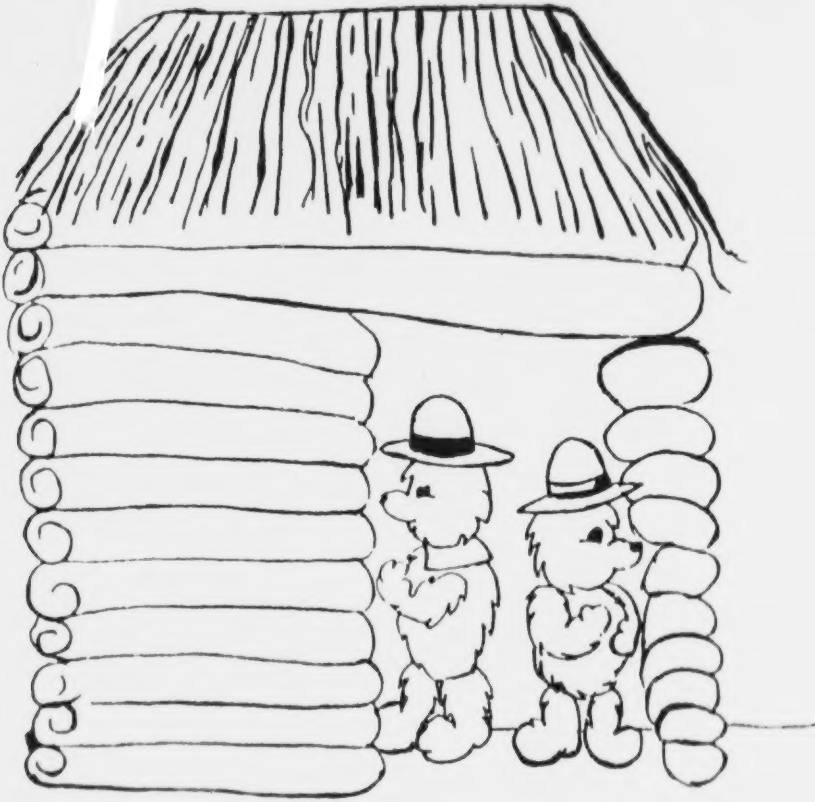
2. The student will talk about how needs are met.
3. The student will note differences between Pilgrims' lives and ours.
4. The student will explain drawings and paintings.

Extension

1. Go on a field trip to a grocery store and/or a mall.
2. Read Econ Teddy books to another class or to the office staff (Attachments A-D).
3. In a creative drama activity, have students act or describe ways families' needs are met.

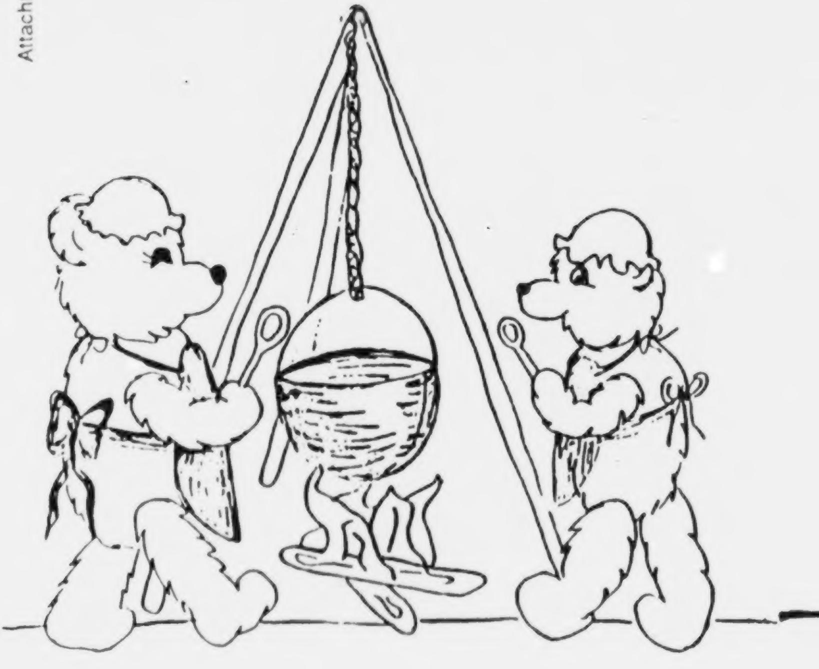
Additional Resource Materials

- The Shopping Basket by John Burningham
- The Popcorn Book by Tomie de Paola

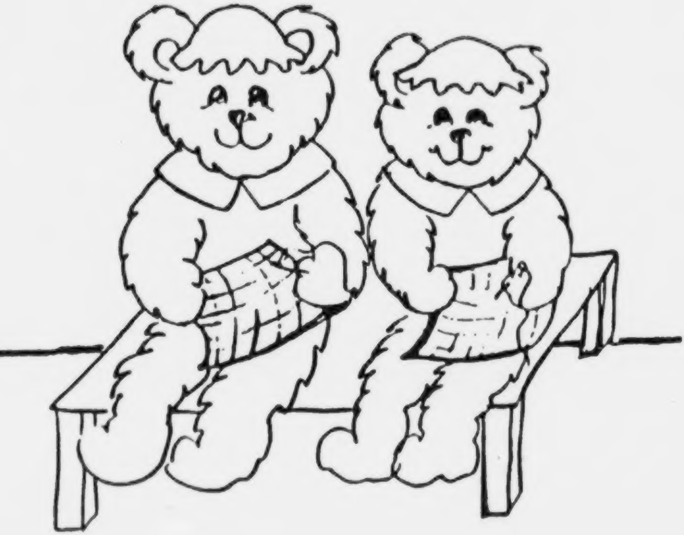


Econ Daddy and Econ
Ed build.

Pilgrim Econ Family

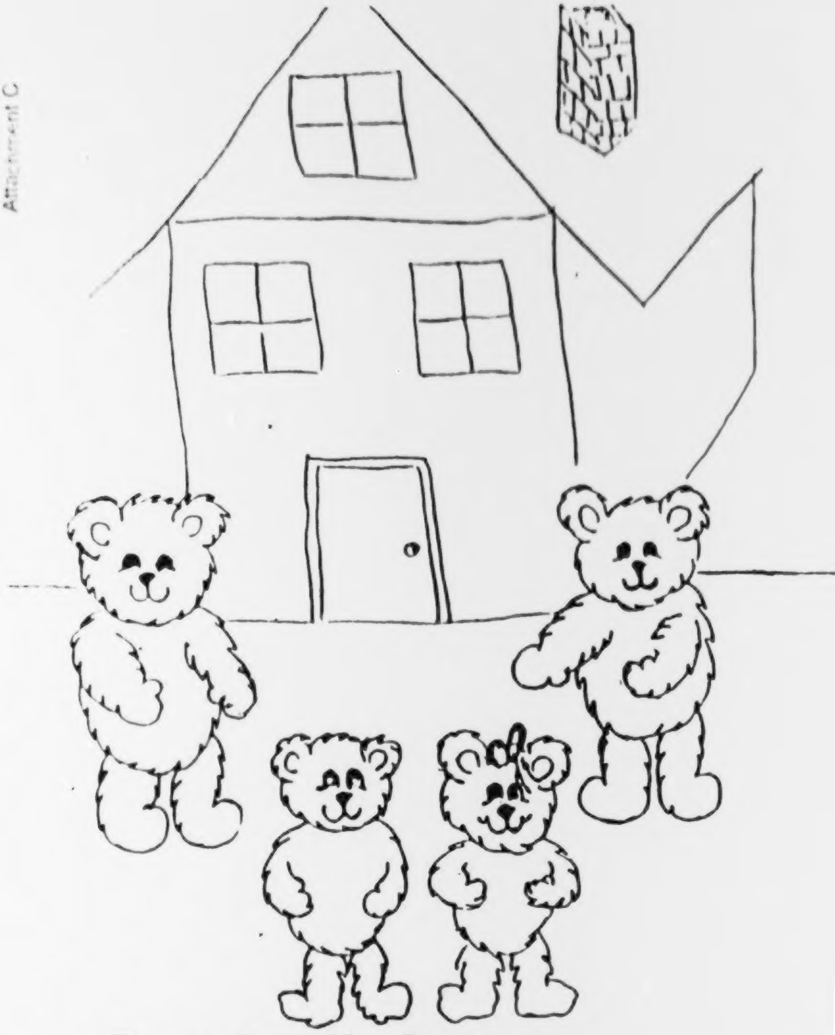


Econ Mommy and Econ
Teddy cook.



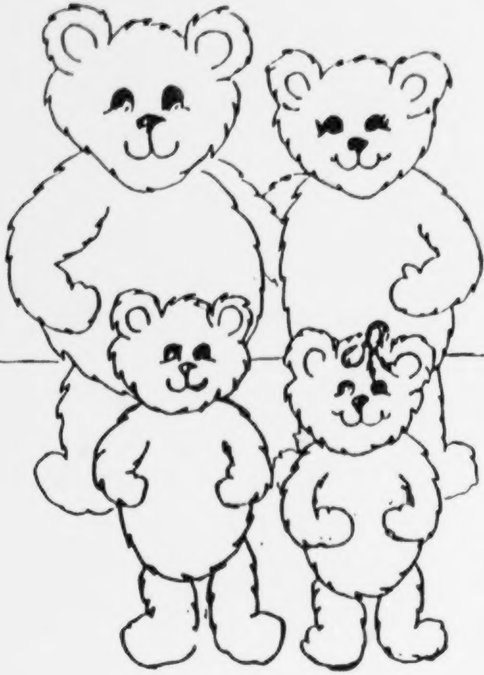
Econ Mommy and Econ Teddy sew.

Attachment C

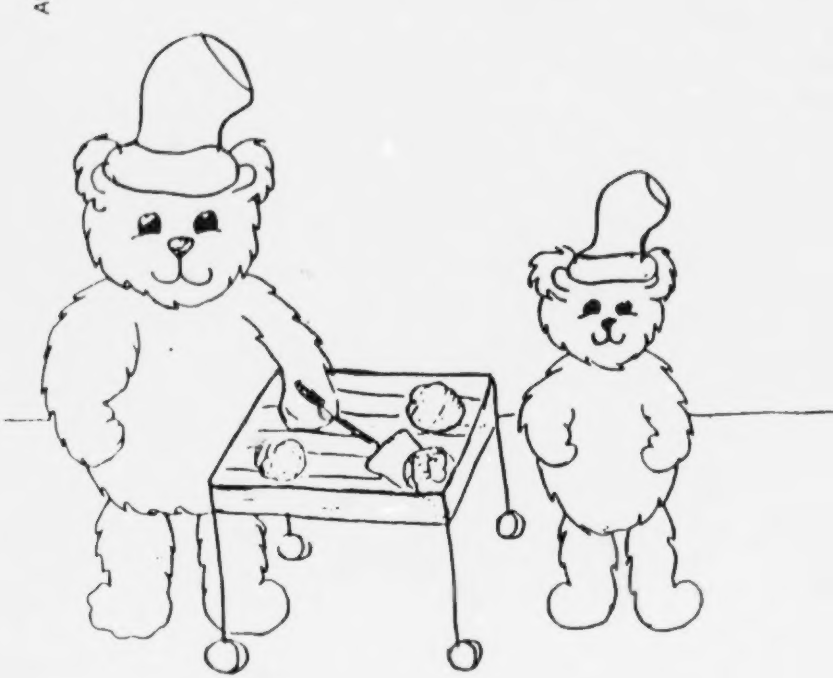


Econ family buys a house.

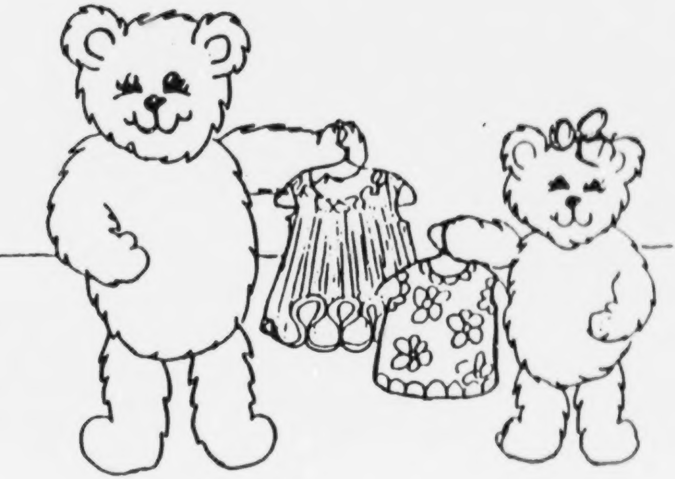
Today's Econ Family



Attachment D



Econ Daddy and Econ Ed cook.



Econ Mommy and Econ Teddy buy clothes.

Grade Level: **Kindergarten**

Concept: **Economic Wants**

Teacher Terms	Student Terms
Desires that can be satisfied by consuming a good or service.	**Feelings that can be satisfied by using a good or service.**

Objectives

The kindergarten student will be able: **to identify basic economic wants (food, clothing, shelter) of all people.**

Resource Materials

- Merchandise catalogues
- Paper, paint, brushes, markers, crayons, pencils, glue, clay
- Pictures of objects (wants)
- Econ Teddy's Wants (Attachments A and B)
- Sentence strips, envelopes
- Clothes from paper doll book
- Scrap box with various materials
- Peanuts, raisins, chocolate chips
- Book, The Three Bears
- Empty cans, cloth scraps, yarn, buttons
- Teddy Bear

Focus

1. Hold up a Teddy Bear and say, "Econ Teddy was walking through the woods early one morning. He/she found a little lost boy crying in the forest. The little boy didn't have a place to live. He had no clothes and hadn't eaten for two days. What would the small boy want?" Write down everything the children name. Save the list for later.

2. Brainstorm. Have the students think of things they would like to have. It could be things they might want every day or only on special occasions. Do not limit what they name. Make a list and save the list for later.

Modeled and Guided Practice

1. Cut and paste. Give each student several pieces of colored construction paper and cardboard patterns for an ice cream cone and ice cream scoops. Have the students trace around the patterns. Each student will cut out one ice cream cone and several ice cream scoops. Pass out catalogues. Each student will find things he/she wants. He will cut the pictures out of the catalog and paste them on the ice cream scoops and then paste all the scoops on the ice cream cone. Teacher will display the cones on a bulletin board entitled "WANTS."

2. Discuss general wants. Teacher will explain that things a person would like to have are called wants. Have students tell about their wants on the ice cream cones. Have students explain how their wants differ from the wants of others.

3. Count wants. Have each child count the number of wants on his/her ice cream cone, and then have the class count the total number of class wants. Ask the children if they have any wants in addition to the wants illustrated on the ice cream cones. Lead them to the understanding that wants are unlimited. Some wants may have a higher priority than others, but wants are unlimited.

4. List wants. List on large chart paper all the wants that have been named by the students, including:
    a. the list of wants from the introduction
    b. the list of wants from the brainstorming activity
    c. the list of wants from the cut and paste activity

5. Discuss basic economic wants. Read the list of wants to the students, asking, "Which of these wants do you need in order to live?" Add to their ideas until they come up with the basic economic wants: food, clothing, shelter. "Why is food high on the wants list?" (It satisfies hunger and prevents starvation.) "Why is clothing high on the wants list?" (Clothing protects you from the weather.) "Why is a house or shelter high on the wants list?" (It satisfies the need for a place to protect you from the weather, etc.)

6. Determine relative importance of wants. Are any of the groups of wants more important than some of the others.. If so, which ones and why? Have students determine which of the wants are basic to the needs of all people.

7. Classify pictures of wants. Make available several pictures of things that families want. Fold a large sheet of paper in half. Have the students place the pictures of basic wants on one side of the paper and the nonbasic wants on the other half of the paper.

8. Classify basic wants pictures into three groups. Take the basic wants pictures on the large paper and have the students further classify the basic wants into three groups: "Food," "Clothing," "Shelter." Have the children paste the pictures into the correct groups. Hang the paper entitled "BASIC WANTS" on the bulletin board.

9. Read the story of Econ Teddy's Wants (Attachments A and B) to the students. Talk about each page. Write the words on the chalkboard or on a sentence strip. Have the students read the words with you. Choral read the story together again.

Econ Teddy's Wants

Econ Teddy wants food.
Econ Teddy wants clothes.
Econ Teddy wants a home.

10. Make a big book of Econ Teddy's Wants (Attachments A and B). Have students paint the pictures for each page. Write the text at the top of each page. After big book is completed, the students will read the big book together. Put the big book in the reading center for students to read. Let students check the big book out to take home.

Independent Practice

1. Basic wants.
    a. Food. Have student draw a picture showing how the family gets food.
    b. Clothing. Divide construction paper entitled "Weather Helps Me Choose What to Wear" into three sections: Sun, Rain, Snow. Have individual student group pictures of clothes he/she would wear in different types of weather. Use pictures of clothing cut from a paper doll book.
    c. Shelter. Encourage the students to create a house or any kind of shelter. Have a scrap box filled with odds and ends: construction paper, ribbon, yarn, boxes, paper bags, buttons, pasta, tile, etc. Set up a table labeled "SHELTERS" in the room to display all the shelters created by the students.

2. Mail delivery. Label each shelter designed by the students with a number such as "2943," "4923," "3220," etc. Have one envelope with matching number for each shelter written on it. Have the students "mail" (match) the letters to the corresponding shelters. Student could use a mailbag to carry the letters and wear a mail carrier's hat.'

3. Student books. Students fold 8 x 11 paper in half to make their own books, Econ Teddy's Wants (Attachments A and B). Activities include coloring the pictures, reading the story to a friend, reading the story to the teacher, taking the book home to read.

4. Journal writing. Students will draw a picture to predict what Econ Teddy and the little boy will do to solve the boy's problems. Have students use inventive writing to explain the picture or have students dictate the words for the teacher to write.

Evaluation

1. The student will name the basic economic wants.
2. The student will give examples of his/herown wants.
3. The student will read the "Big Book" or the small take home book, Econ Teddy's Wants, to the teacher (Attachments A and B).
4. The student will discuss activities.
5. The student will respond to activities.
6. The student will explain drawings.
7. The teacher will observe student performing activities.

Extension

1. Reading.
   Students in groups of two or three will read their Econ Teddy books to each other.

2. Discuss a story.
   Read The Three Bears. Talk about:
   a. What were Goldilocks' wants?
   b. How did she satisfy those wants?

3. Make tin can puppets. Read The Three Bears again and have the students use the puppets to act it out. The students cover an empty can with construction paper or cloth. They make a paper face to glue on the top half of the can. The students add ears and paws for the bears and yarn hair, dress, and paper arms for Goldilocks. Students put one hand inside the can to hold the puppet.

4. Make clothing book. Make a class book of favorite clothes. Each student contributes a page with a picture and a sentence such as "Matt likes a red shirt" or "Susan likes pink shoes," etc.

5. Share.

"Where Do You Live?"

Puppies live in kennels,
And piggies live in pens;
Horses live in stables,
And lions live in dens.

Chickens live in chicken coops
And gold fish live in bowls;
Cows and calves can live in barns
And mice can live in holes.

Turtles live inside their shells
And birds live in a nest;
I would rather have a house,
To me that seems the best.

6. Learn and share.

"OUR HOUSE"		Motions to the fingerplay
Let's go and build a little house	a.	Put your finger tips together to form roof
And we can paint it white.	b.	Move wrist up and down, like painting
We'll put a little chimmney on		
And it will be so tall and bright.	c.	Make hands form tall chimney
And then when winter comes along	e.	Raise hands high, fingers imitate snowflakes falling
Or when we hear a storm		
We'll go into our little house--	f.	Cup hand to ear to listen
And we'll be safe and warm.		
	g.	Put your finger tips together to form roof
	h.	Cross arms over chest and hug yourself.

Additional Resource Materials

- Andrew Henry's Meadow by Doris Burn
- Bread and Jam for Frances by Russell Hoban
- Emperor's New Clothes
- Ferdinand by Munro Leaf
- Gingerbread Man
- Hungry Thing by Jan Slepian
- Magic Fish
- Ming Lo Moves the Mountain by Arnold Lobel
- Silvester and the Magic Pebble by William Steig
- Stone Soup by M. Brown
- Three Little Pigs

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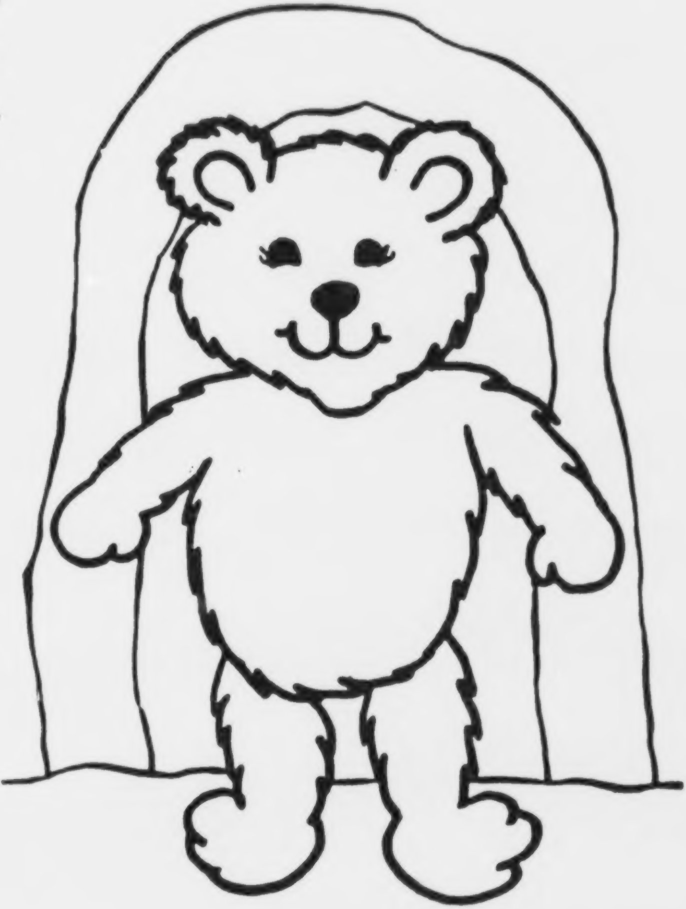
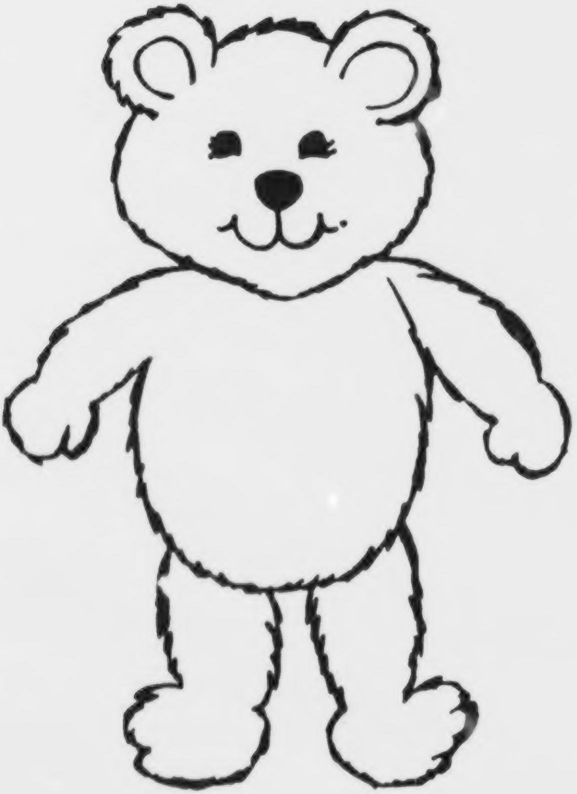
Attachment A



Econ Teddy wants a home.

Econ Teddy's Wants



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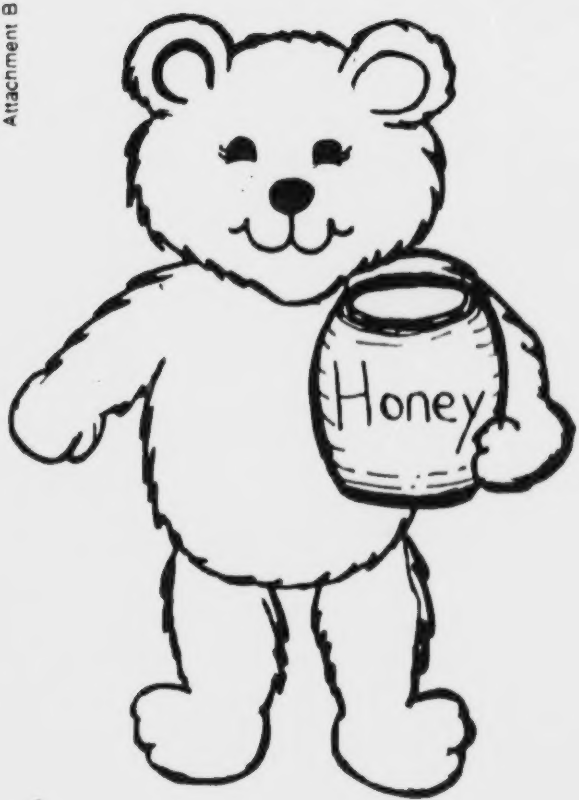
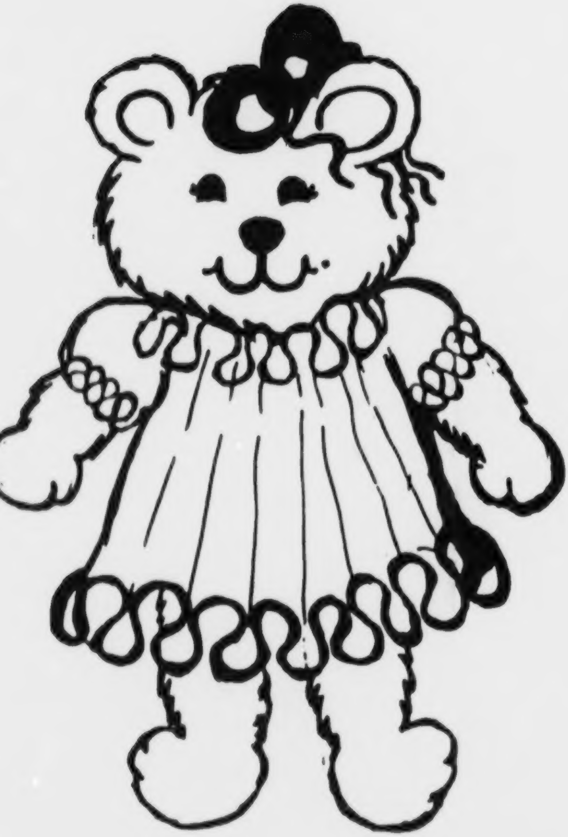


Econ Teddy wants food.



Econ Teddy wants clothes.

Grade Level: **Kindergarten**

Concept: **Exchange**

Teacher Terms

Trading goods and services with people for other goods and services or for money is called exchange.

Money is something that you can exchange for goods and services.

Student Terms

When people trade things or when they use money to buy things, they are making an exchange

Objectives

The kindergarten student will be able: **to give examples of an exchange.**

Resource Materials

- Toy car, doll, or stuffed animal
- Purchased clay or homemade playdough
- Timer
- Let's Trade (Attachments A and B)
- Crayons, pencils, scissors
- Newspapers, magazines, catalogues
- Exchange sheet (Attachment C)
- Sentence strip
- Chart paper
- Lima beans painted on one side
- Craft paper
- Paper coins (Attachment D)
- Stapler
- Coins
- Grab bag
- Graphing chart
- Wallet page (Attachment E)
- Coin book cover (Attachment F)

Focus

1. Show a toy car, doll, or stuffed animal to students. Ask the students, "If you wanted this, what could you do to get it?" (They could buy it or exchange something for it.)

2. Tell the students to pretend that they want a special video tape. "How can you get it? What if your parents say that you have to earn the money to buy the video tape? What chores could you do?"

Modeled and Guided Practice

1. Discuss exchange.
   Explain to the students that a long time ago people exchanged or traded one thing for another thing that they wanted. For example, one person might make bread to exchange or trade for a pie that she/he wanted. Money could also be exchanged.

2. Read Econ Teddy Story, Let's Trade (Attachments A and B).

Let's Trade

Econ Teddy wants the beach ball.
Econ Teddy traded Econ Ed a coin for the ball.
Econ Ed and Econ Teddy are happy.

Discuss Let's Trade. "What did Econ Teddy and Econ Ed do? Were they happy with the trade? Have you ever traded a coin for something? What do we call that?" (buying something).

3. Set up exchange store.
   a. Make clay objects to exchange with other students in the class. Let all of the students make an object. Have a time for viewing. Have an exchange time that day or another day of about 10 minutes. Students do not have to exchange their objects if they do not want to. Students may exchange as many times as time allows. After the time is over have the students, individually, determine if they were happy or sad about their exchanges. Record responses on exchange sheet (Attachment C).
   b. Let the students cut out pictures from newspapers or catalogues. Have an exchange just as in activity (a).
   c. Let the students bring old books or toys from home to exchange (make sure that the parents and children know that these things will be exchanged and that something else will be brought home).
   d. 1) Provide paper coins (Attachment D) to be traded for pictures, as in activity (c). Give each child some coins and one picture. The students may exchange pictures for pictures or pictures for the coins.
      2) After the exchange, let the students make a human graph of these categories: those children who now have coins only; those with coins and pictures; those with pictures only. Which column has the most, etc.?

4. Teach the song, "I Want Something" (tune "Frere Jacque").

I want something,
I want something,
That is yours,
That is yours.

I will trade you money,
I will trade you something
That is mine,
That is mine.

Write the words on a chart. Sing several times.

Independent Practice

1. Jack and the Beanstalk activities.
   a. Read Jack and the Beanstalk.
   b. Remind students that Jack traded the family cow for some beans. Have the students pretend to be Jack and decide what they would trade the cow for instead of beans. Record student answers on sentence strips to put into a pocket chart.
   c. Using the cards from the above activity have the children classify the responses. (food, toys, etc.)
   d. Make a class book of trades from the above activity. Provide for each child as follows: traded a cow for a________________. (Child's Name) Let children illustrate the trade.
   e. Pretend that Jack was given five beans. Give each student five beans to hold. Let the students shake the beans once and then drop them on a table. Some beans will land with the white side up and some with the painted side up. Have each child recite the addition problem that they made with the beans. For example: 3(white beans) + 2(red beans) = 5. Record the problems and answers on the chalkboard.

2. Coin identification.
Place real coins in a grab bag. Let each student draw one coin out of the bag. Have each student name the coin and place it on the graph, with the same coin in each column. Compare the columns: which coin has the most, least, same?

3. Student copy of Let's Trade (Attachments A and B).
Duplicate a copy of each book for each student. Students fold the paper in half to make their own books. Students may color the pictures. Students read the story to the teacher and then take home to read to parents.

4. Journal writing.
Students will draw a picture of an exchange (trade) that they have made. Have students use inventive writing to explain the picture or have students dictate the words for the teacher to write.

Evaluation

1. The student will read the small books.
2. The student will discuss activities.
3. The student will respond to activities.
4. The student will explain drawings and paintings.

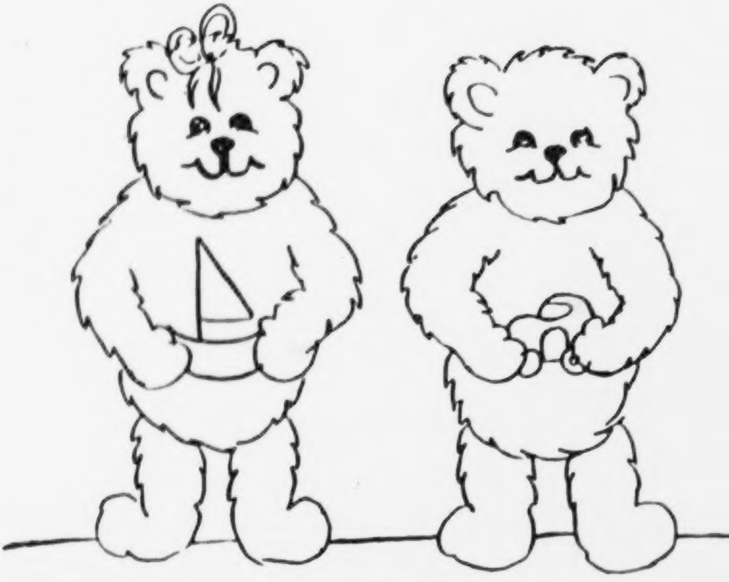
Extension

1. Brainstorm ideas about trading in the book, Jack and the Beanstalk.
"What if Jack came to your house, what could you trade him that his mother would want instead of the magic beans?" Record the answers on chart paper.
2. Trading problems.
Thinking about the exchanges made in the exchange store, "What would you do if you wanted something but the person did not want to trade?"
3. Set up exchange time.
Let the students bring stickers or used stamps from home. Set up an exchange time once a week for as long as interest holds.
4. Design dollar bills.
Draw a 4 in. x 6 in. rectangle on a paper for each student. Let students design their own dollar bills. Display on the bulletin board.
5. Design a shopping bag.

Additional Resource Materials

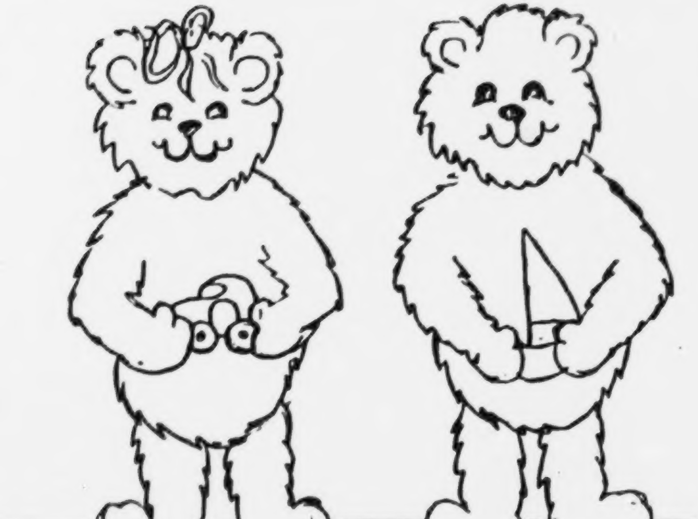
- Jack and the Beanstalk
- The Catalogue by Jasper Tompkins
- The Mountains Crack Up by Jasper Tompkins
- On Market Street by Anita Lobel
- Alexander, Who Used to Be Rich Last Sunday by Judith Viorst
- Something Special for Me by Vera B. Williams

Attachment A



Econ Ed and Econ Teddy
are happy.

Let's Trade Things



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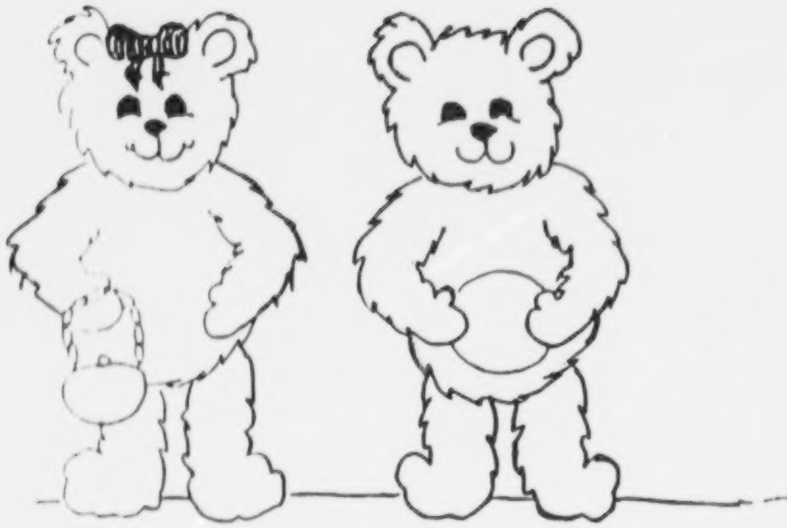
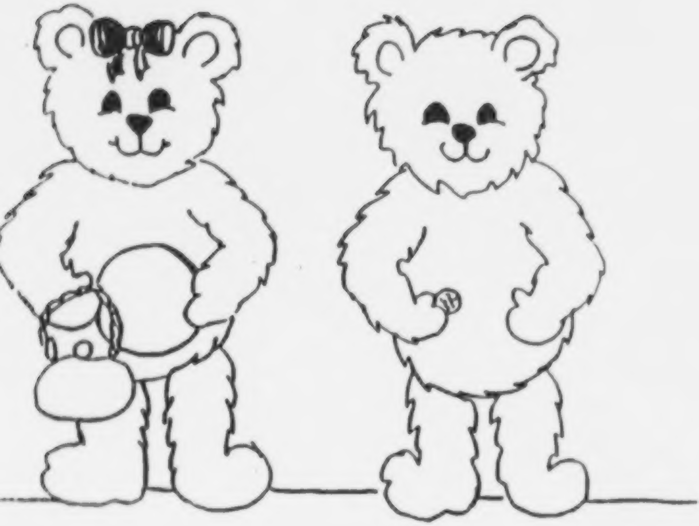


Econ Teddy wants the beach ball.



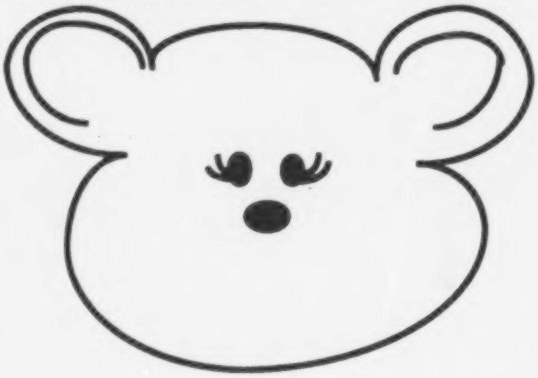
Econ Teddy traded Econ
Ed a coin for the ball.

Attachment C

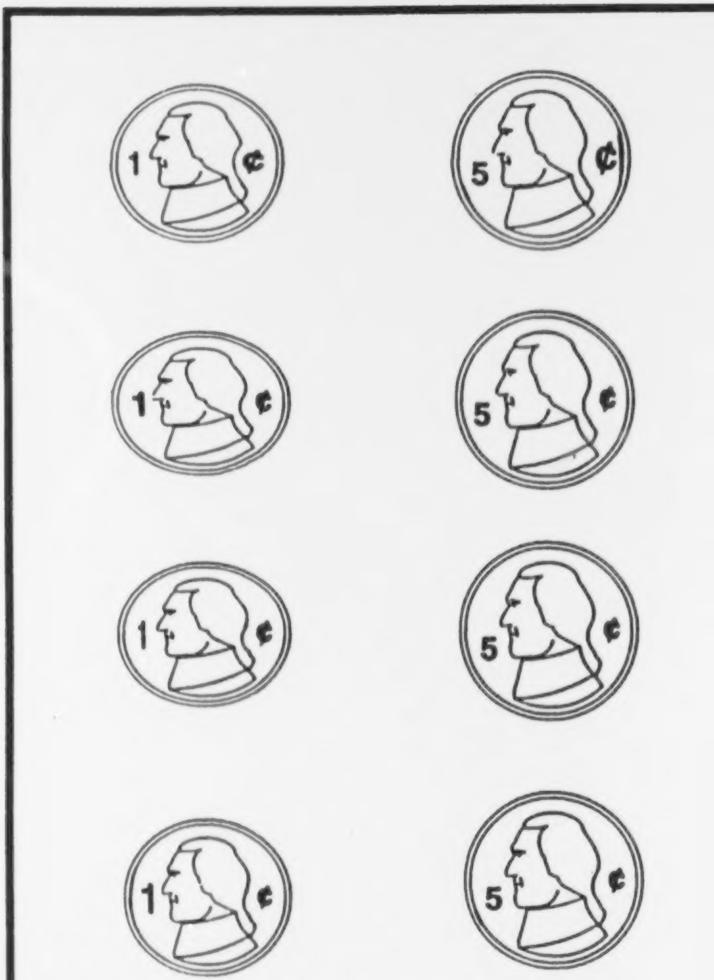
EXCHANGE SHEET

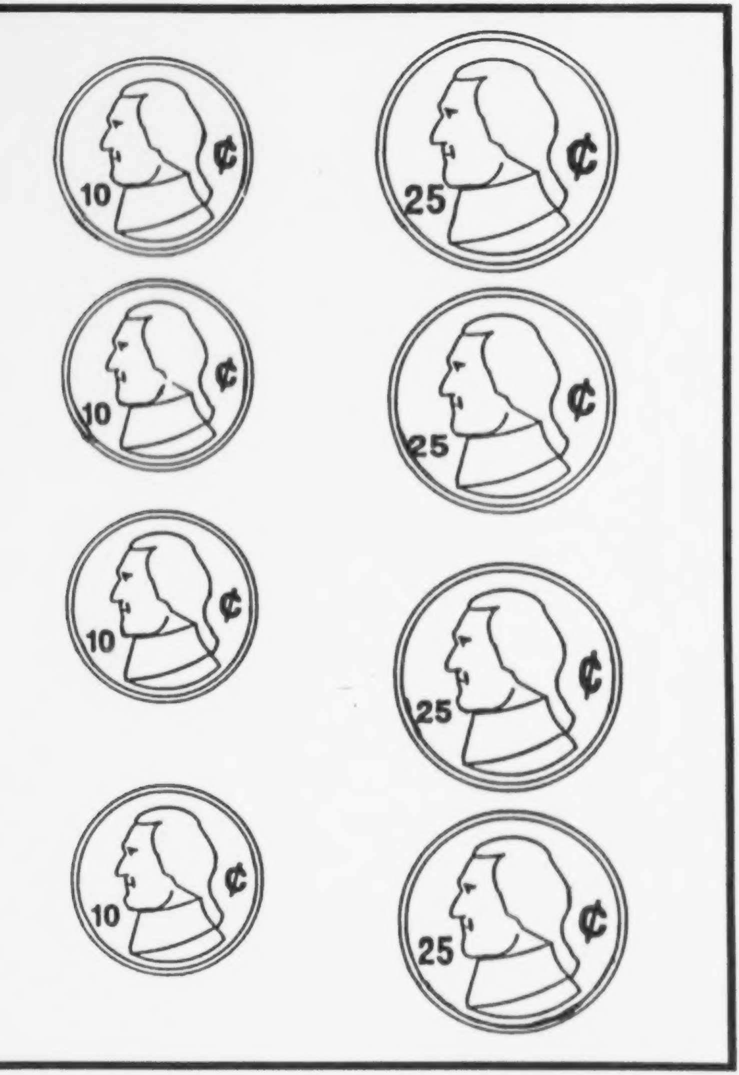
BEFORE	AFTER
Draw a picture of your object to be exchanged.	Draw a picture of your new object, after the exchange.

My exchange made me feel ________________.
Make Econ Teddy's face show how you feel--happy or sad.



Attachment D

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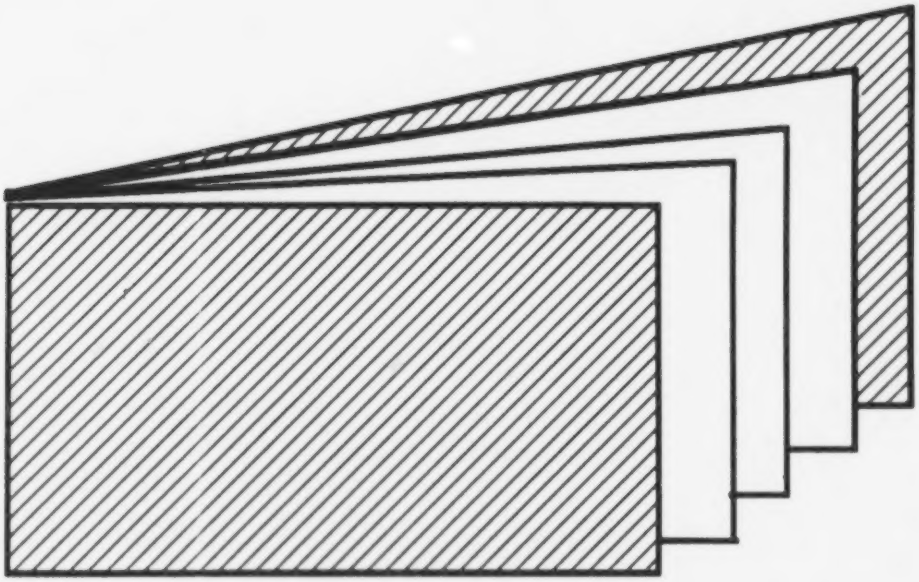
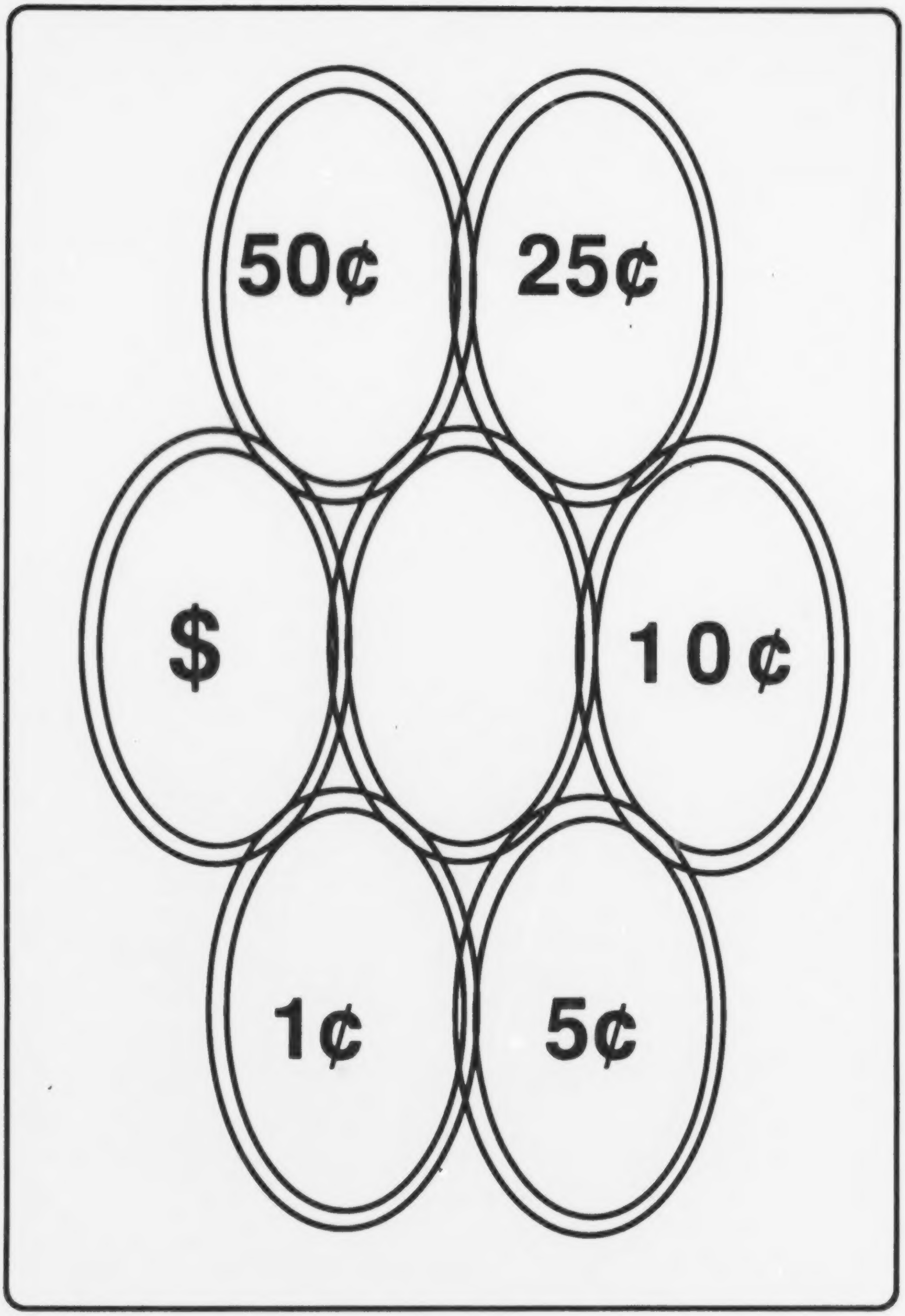



50¢
25¢
$
10¢
1¢
5¢

Grade Level: **Kindergarten**

Concept: **Goods**

Teacher Terms

Objects that can satisfy people's wants.

Student Terms

Things people want that you can hold or touch.

Objectives

The kindergarten student will be able: **to identify goods.**

Resource Materials

- Teddy Bear
- Goods That Econ Teddy Wants (Attachments A and B)
- Teddy Bear-shaped paper
- Ira Sleeps Over by Barnard Waber
- Large writing chart paper
- Squares of colored construction paper
- Magazines (pictures)
- Teddy Bear book cover (Attachment C)
- Paint, paper, brushes, markers, crayons, pencils, glue
- Cookies

Focus

1. Hold up a Teddy Bear. Ask the students, "What do you feel when you see this Teddy Bear?" Continue calling on various students. (You are seeking the response, "I want the Teddy Bear.")

2. Teacher says, "Wants are your needs. You want things or goods to satisfy your needs. When you are sleepy you want a bed so you can go to sleep. When you are hungry you want food so you can eat. I think you want to hold the soft, cuddly Teddy Bear because holding him will make you feel safe and secure. Therefore, this Teddy Bear is the good that you want to hold or touch. Goods are objects or things that can satisfy your wants. Our Lesson today will be about goods. After our lesson you will be able to give examples of goods. We are going to name this Teddy Bear, *Econ Teddy*. *Econ Teddy* will be having many adventures with us.

Modeled and Guided Practice

1. Discuss wants.
   Read Ira Sleeps Over by Barnard Waber. Then talk about, "What did Ira want? Why? What was the need that he felt? Have you ever had the feelings that Ira had? What did you do about it? Do you have a favorite toy you like to sleep with?" (Note: The book is not required to teach this lesson. If the book is not available, choose another model and guided practice.)

2. Brainstorm students' wants.
   a. Have the students brainstorm goods (things) that they want. List all the goods named by the students on large chart paper.
   b. Have the students choral read the "goods" list together.
   c. Classify goods. Divide a large sheet of paper into sections and label each section. Have the students place the 3 x 5 word cards into the correct groups. For example:

Food	Clothing	Shelter	Toys/games
apple	jeans	house	jump rope
candy	red shoes	tent	bicycle

d. Graph groups of goods.
   1) Make a human graph of goods. All students that want the food group will stand in one line. All students that want the clothing group will stand in another line, etc.
   2) Make a bar graph of goods on chart paper. Use squares of different colored construction paper for each group of goods. Have children report which group has the most items, next most, etc. Have students discuss which groups are the most important.

3. Study Econ Teddy Story, Goods That Econ Teddy Wants (Attachments A and B). Read the story to the students. Talk about each page. Write the words on the chalkboard or on a sentence strip. Have the students read the words with you. Choral read the story together again.

Goods That Econ Teddy Wants

A red bike is a good that Econ Teddy wants.
A jump rope is a good that Econ Teddy wants.
A big ball is a good that Econ Teddy wants.

4. Create book. Make an easel size book of Goods That Econ Teddy Wants (Attachments A and B). Have students paint the pictures for each page. Write the text at the top of each page. After the big book is completed, the students will read the book together. Place the big book in the classroom library for students to read. Let students check out the big book to take home.

Independent Practice

1. Small book for each student. Students fold the paper in half to make their own books, Goods that Econ Teddy Wants. Students color the pictures, read the story to a friend, read the story to the teacher, take the book home to read.

2. Picture classification. Students cut out pictures of goods from magazines and place on large paper divided into "goods" categories.

3. I Want Book... Each student makes a personal I Want Book. The book could be the shape of a Teddy Bear (Attachment C). Student draws one picture of the good that will satisfy a want on each page. Student or teacher labels the picture. Let student decide the number of pages to be in the book.

4. Journal writing. Student will draw a picture of what might have happened if Ira had not gone to get his bear (the good) to satisfy his want/need. Have student use inventive writing to explain picture or have student dictate the words for the teacher to write.

5. Picture painting. Student paints picture of what he/she wants when it is time to go to bed.

Evaluation

1. The student will read the I Want Book to the teacher.
2. The student will read the big book or the small take-home book, Goods That Econ Teddy Wants (Attachments A and B), to the teacher.
3. The student will name a good that will satisfy a want or need.
4. The class will discuss activities.
5. The student will respond to activities.
6. The teacher will observe students performing activities.

Extension

1. Students in groups of two or three will discuss their individual goods list with one another.
2. Students in groups of two or three will read their individual I Want Book to each other.
3. Students in groups of two or three will share and tell about the stories in their journals.
4. Students will share and tell the class about their paintings.
5. Students in groups of two or three will discuss the graph of goods.
6. Students will sing songs together that have goods in them. For example:
   a. "I'm a Little Teapot"
   b. "How Much is that Doggie in the Window?"
   c. "Baker Goods" (tune: "Baa Baa Black Sheep")

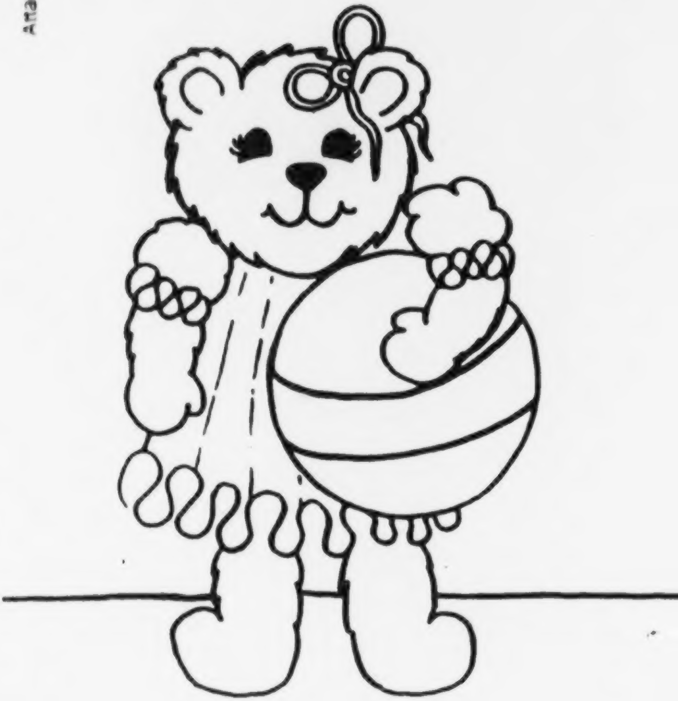
Baker, Baker have you any goods?
Yes dear, yes dear, three bags full.
One peanut butter
One chocolate chip
Shaped by a cutter
Do you want a nip?
Baker, Baker have you any goods?
Yes dear, Yes dear, Three bags full.

7. After the students learn the song, "Baker Goods," the teacher will lead a discussion, "Can you identify the good in the song? If you can, your reward will be one of the goods." After the children have identified the good as cookies, show the three bags of cookies and pass one cookie to each child for a treat.

Additional Resource Materials

- A New Coat for Anna by Harriet Ziefert
- A Chair for My Mother by Vera B. Williams
- Caps for Sale by Esphyr Slobodkina
- Petunia's Christmas by Roger Duvoisin
- Corduroy by Don Freeman

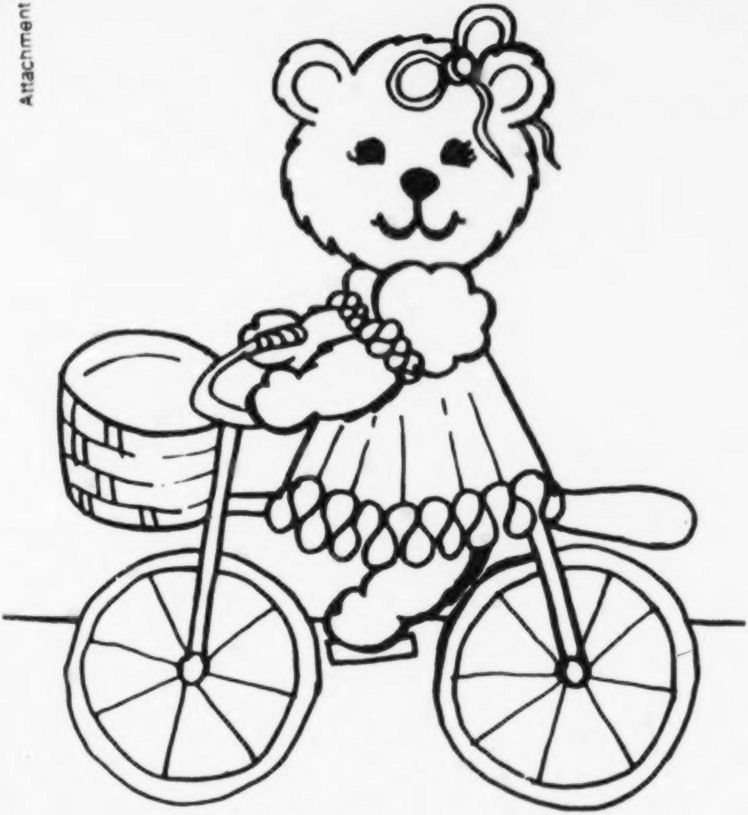
Attachment A



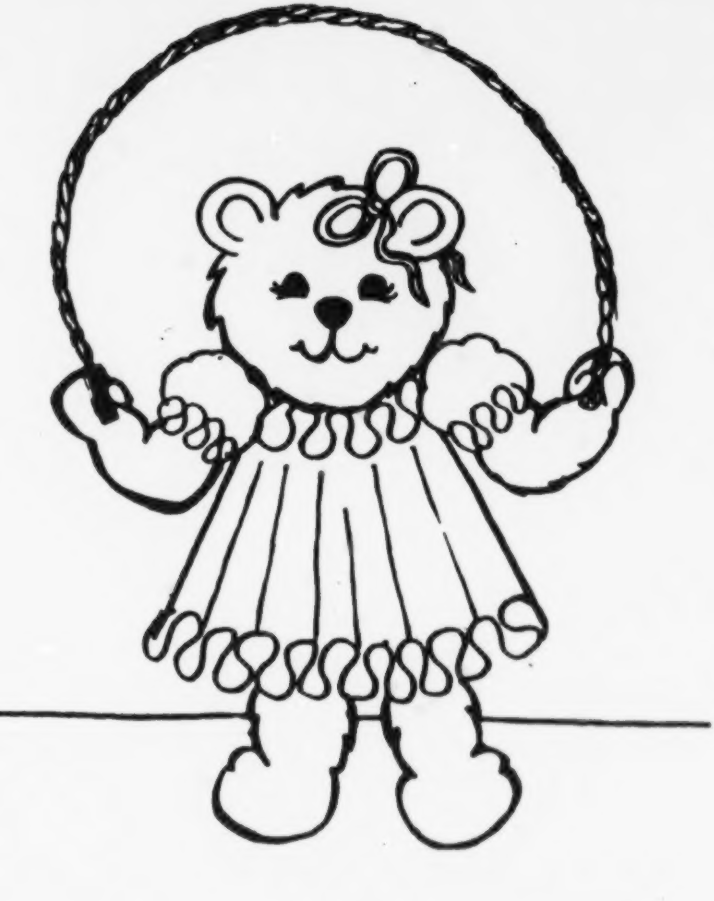
A big ball is a good
that Econ Teddy wants.

Goods That Econ Teddy Wants

Attachment B



A red bike is a good
that Econ Teddy wants.



A jump rope is a good that Econ Teddy wants.

Grade Level: **Kindergarten**

Concept: **Services**
Note: This lesson follows "Goods" lesson.

Teacher Terms	Student Terms
Activities or actions that can satisfy people's wants.	**Something that one person does for someone else.**

Objectives

The kindergarten student will be able: **to state examples of services.**

Resource Materials

- A Teddy Bear with a white cloth around jaw
- Econ Teddy and the Bad Toothache (Attachments A and B)
- Sentence strips
- Paint, paper, brushes, markers, crayons, pencils, glue
- Construction paper, index cards
- Magazine (pictures)
- Cards with pictures for "Concentration"
- Large piece of butcher paper for mural
- Tape recorder with blank tapes
- Oversized toothbrush and oversized tube of toothpaste
- The Bear's Toothache by David McPhail

Focus

Hold up the bear, Econ Teddy, with a white cloth tied around her head indicating a toothache. "What's wrong with Econ Teddy? She has a terrible toothache. The tooth is not loose. It has a cavity and it hurts. What is a cavity? What can Teddy do? (Go see the dentist.) Yes, the dentist will fix the tooth. The dentist will provide a service to help Teddy. Our lesson will be about services. You will be able to give examples of services when we have completed the lesson."

Modeled and Guided Practice

1. Discuss services.
Teacher says, "Do you recall in another lesson that some of your wants could be satisfied by getting something, a good, that you could hold or touch. Well, sometimes to satisfy your wants you need to have services provided by someone else. That means someone does something for you. One example is the dentist making your tooth feel better, another might be a teacher helping you learn how to read, or a police officer keeping you safe." "Today I have another short story about Econ Teddy that I want to share with you."
    a. Read to the students: (Attachments A and B)

Econ Teddy and the Bad Toothache

Econ Teddy woke up.
Econ Teddy had a bad toothache.
Econ Teddy went to the dentist.
Econ Teddy did not have a bad toothache anymore.

b. Discuss with the students. "What was wrong with Econ Teddy? What was the want or need that it felt? Have you ever had a bad toothache? What did you do about it?"

c. Put the story of Econ Teddy and the Bad Toothache (Attachments A and B) on sentence strips. Choral read the sentence strips.

2. Discuss and brainstorm (compare and contrast).
Teacher gives examples first of "goods" (books, foods, etc.). Then have students name other goods. Teacher states that repairing teeth is a service provided by a dentist. "Can you think of some people, other than a dentist, who might be able to do something for you, a service?" Students name other services and who provides them.

3. Catalog goods and services.
List all the goods and services named by the students on large chart paper. Classify the items into goods or services. For example:

Goods: Teddy Bear, shoes, bread, house, etc.
Services: Hugs, kisses, garbage pickup, police helping a lost child, firefighters putting out a fire, etc.

Independent Practice

1. Small book for each child.
Students fold the paper in half to make their own book, Econ Teddy and the Bad Toothache. Students color the pictures, read the story to a friend, read the story to the teacher, and/or take the book home to read.

2. Journal writing.
Students will draw picture of what might have happened if Econ Teddy had not gone to the dentist. Have student use inventive writing to explain picture or have student dictate the words for the teacher to write.

3. Helpers card game.
Have student play "Concentration" with two sets of cards. One set of cards has pictures of workers such as doctors, barbers, firefighters, mechanics, teachers. The other set of cards has pictures depicting needs for services, such as an ill person, a child with a mop of hair, a house on fire, a car with a flat tire, a child at school with books, etc.

4. Art exercise.
Students draw a big picture of services they can provide. Have each student name his/her service and label the drawing. Encourage the students to use inventive writing for labeling their pictures or the teacher can label the pictures. Display the children's pictures on a bulletin board labeled "We Can Provide Services." Put it next to the bulletin board display "We Can Make Goods."

5. "We Work to Provide" mural.
Have each student paint a picture of a worker who provides a service and/or a picture of a worker who makes or sells goods. Make a large mural divided into two parts--one part labeled "Goods" and the other labeled "Services." Have each student paste his/her picture or pictures on the correct side of the mural.

Evaluation

1. The student will read a small book (Attachments A and B) about Econ Teddy to teacher. Student will name what the service was.
2. The student will be able to name three workers and the services they provide.
3. The class will discuss activities.
4. The student will respond to activities.
5. The student will explain drawings and painting.

Extension

1. Students in groups of two or three will name as many services as they can. Responses will be recorded on a cassette to be placed in a listening center.
2. Students in groups of two or three will read their Econ Teddy books to each other.
3. Students in groups of two or three will share and tell about their journal writings.
4. The teacher will read The Bear's Toothache by David McPhail and discuss the story with the students.
5. Students will sing a song about service (tune of "Mary Had a Little Lamb").

HAIRCUT

Couldn't see to cross the street,
Cross the street, cross the street,
Couldn't see to cross the street,
My hair was in my eyes.

Went into the barbershop,
Barbershop, barbershop,
Went into the barbershop,
A haircut for to buy.

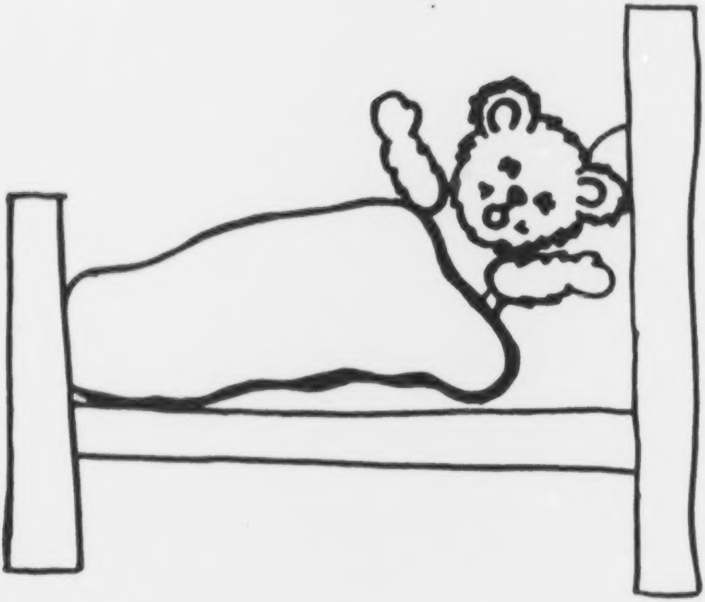
Ask the children, "What was the service? Who provided the service? How many of you have ever been to a barbershop?" Encourage the children to discuss their experiences at the barbershop.

6. Teacher, nurse, or dental hygienist will demonstrate and discuss the proper care of teeth.
7. Children will act out and describe the proper way to care for teeth. Use props such as an oversized toothbrush and an oversized tube of toothpaste.
8. The teacher may invite community helpers to visit the class to discuss services they provide for people in the community. (police officer, firefighter, mail carrier, dentist, librarian, custodian, etc.)

Additional Resource Materials

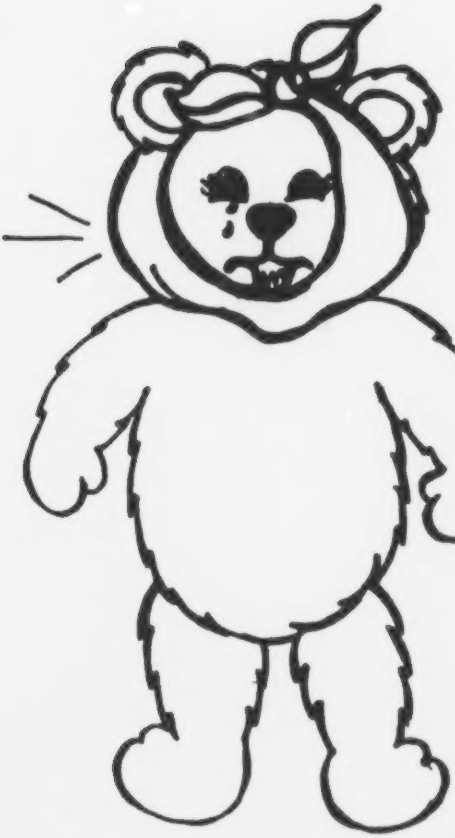
- The Night Work Big Book Series, Nystrom Company
- Dandelion by Don Freeman
- Dear Garbage Man by Gene Zion
- That's What Friends Are For by Florence Parry

Econ Teddy and the Bad Toothache

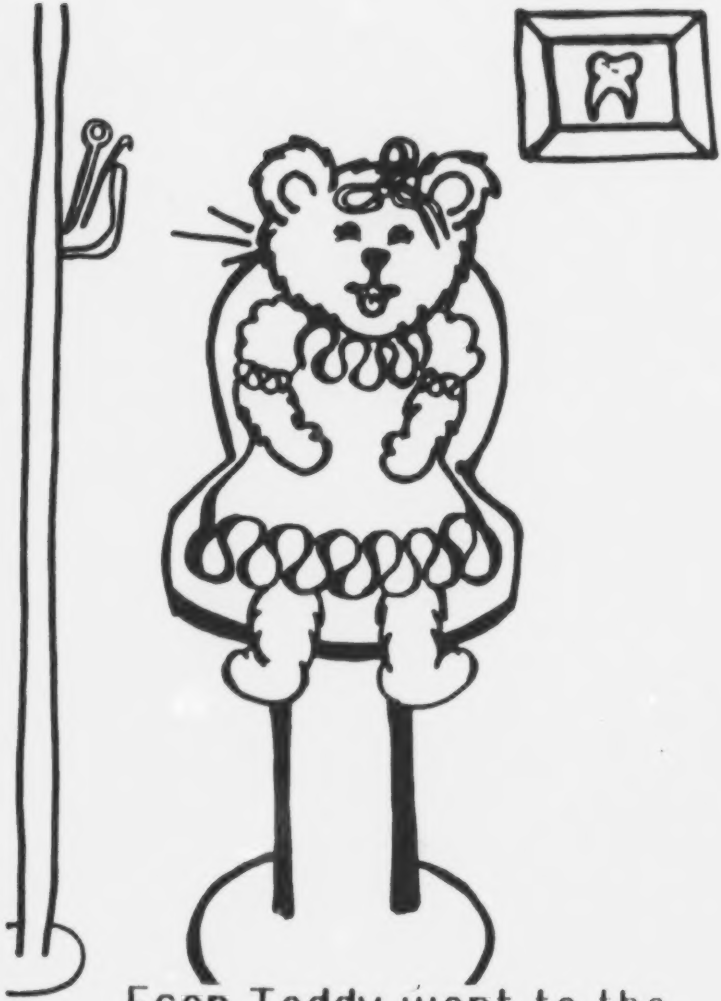


Econ Teddy woke up.

Attachment A

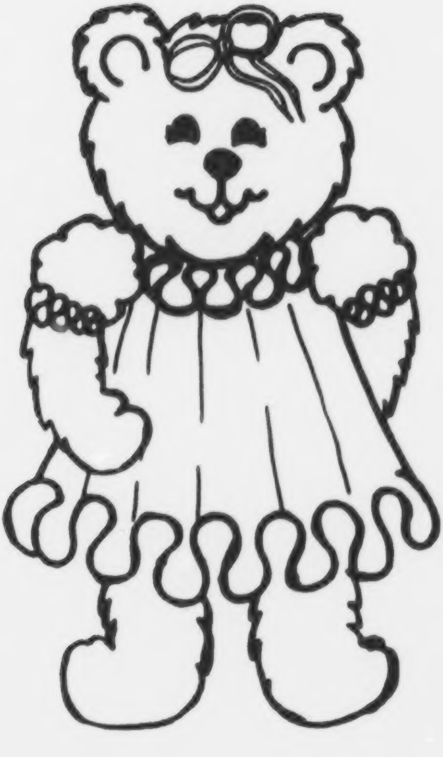


Econ Teddy had a bad toothache.



Econ Teddy went to the dentist.

Attachment B



Econ Teddy did not have
a bad toothache anymore.

Grade Level: **Kindergarten**

Concept: **Market Price**

Teacher Terms

A price is the amount of money that people pay when they buy a good or service.

Student Terms

Prices tell you how much money it costs to buy a good or service.

Objectives

The kindergarten student will be able: **to identify price as the amount that people pay for something.**

Resource Materials

- Butcher paper
- Scissors, glue, crayons, pencils, markers
- Old magazines, catalogues
- Stapler
- 12 in. x 18 in. manila paper
- Cardboard boxes
- Price tags (Attachment A)
- Pattern and $ sheet (Attachment B)
- Real price tags (collected from various stores)
- Let's Buy Something (Attachments C and D)
- Coin page (Attachment E)
- Small donated items from parents or PTA
- Tape

Focus

1. Explain to students that goods and services have a price. Define price for students. We have to know how much to pay for what we want. Show numerous price tags from stores. Explain which numbers indicate the price.

2. Showing numerous price tags (Attachments A and B), explain to the students what the $ sign and decimal point mean in a price. Have many various kinds of price tags for the students to look at to compare and contrast.

Modeled and Guided Practice

1. Read Econ Teddy story, Let's Buy Something (Attachments C and D).

Let's Buy Something

The cookie costs 5¢.
The ball costs 10¢.
The sunglasses cost 25¢.

Discuss Let's Buy Something. "How much does each item in the story cost? Which item costs the most, the least?"

2. Bring to school several grocery store advertisements. Compare the prices of the same item, for example: bananas at two or three different stores. Ask the students which stores have the same or different price. Which store has the biggest or smallest price today for the same item?

3. Make a If I Had a Dollar... book.
Make a class book with each student contributing one page. Each page should have "If I had a dollar, I would buy______________________________" written on the bottom. Let each student cut out a picture of something that she/he would buy with a dollar. Have the students write the words in the blank or write them yourself. Staple the pages together and put in the book center.

4. Rewrite "To Market, To Market..."
Using the poem "To Market, To Market," let the students rewrite the poem buying something that interests them. Give each student a paper with the following written on the bottom.

To market, to market, to buy a ________________________ ________________________, Home again, home again, jiggety______________. (The lines should rhyme.)

This is especially fun to do at Halloween.
Example: To market, to market, to buy a scary ghost.
Home again, home again, jiggety-jhost.

Let students take the pages home or put together for a class book.

5. Have the students cut out pictures of items that cost less than $1. Put pictures on craft paper to make a collage.

6. Make a price mural.
Divide a long piece of butcher paper into five columns. Label the columns $1.00, $5.00, $10.00, $15.00 and $20.00. With a small group of students, cut out pictures to glue on the mural. If the price of the item is $l.00 or less, glue it in the first column. If the price is between $l.00 and $5.00, place in the second column and so on. Display on the bulletin board.

Independent Practice

1. Department store.
Turn the housekeeping center into a department store. Ask parents to donate small items such as pencils, erasers, stickers, etc. Copy price tags (Attachment A) several times. Tape a price tag on each item. Using paper coins (Attachment E), let the students buy the items that they want.

2. Small copy of Let's Buy Something (Attachments C and D).
Duplicate a copy of book for each student. Students may color the pictures. Students may read the story to the teacher and then take home to read to parents.

3. Journal writing.
Students will draw a picture of something to buy at a store with a price tag. Have students use inventive writing to explain the picture or have students dictate the words to the teacher.

Evaluation

1. The student will read the small book Let's Buy Something (Attachments A and B) about prices.
2. The class will discuss activities.
3. The student will respond to activities.
4. The student will explain drawings and paintings.

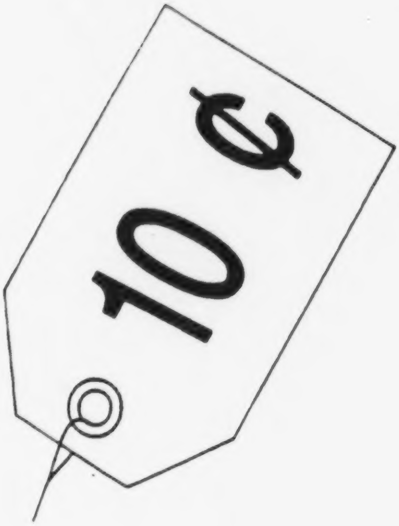
Extension

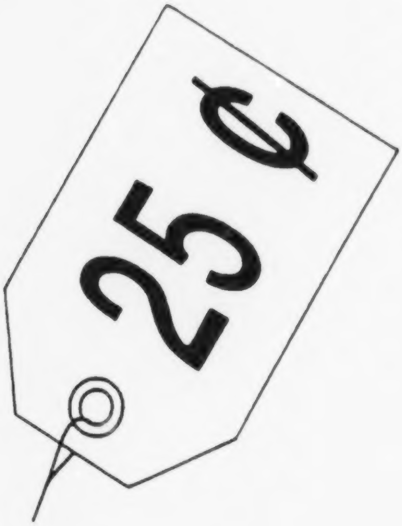
Compare prices of Halloween costumes at the beginning and end of October. Compare prices of Christmas trees through the month of December. Compare the price of going to see a movie at various times of the day. These comparisons should be done by charting the information on graphs.

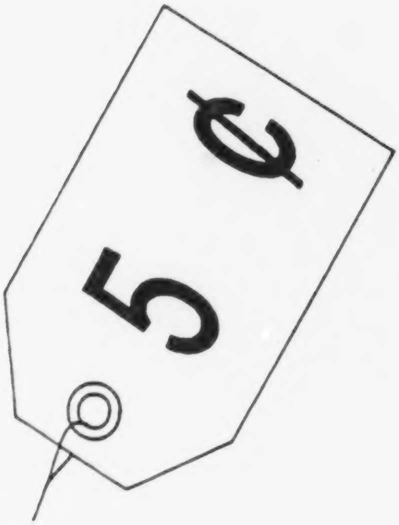
Additional Resource Materials

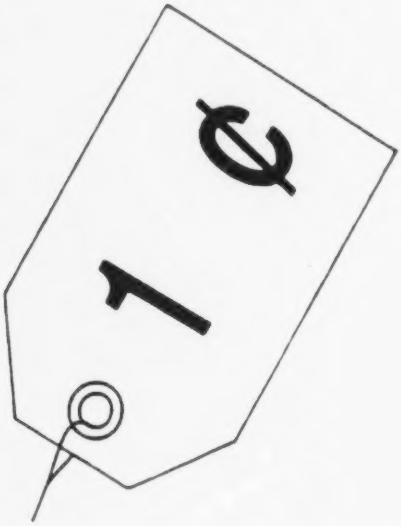
- Petunia's Christmas by Roger Duvoisin
- Caps for Sale by Esphyr Slobodkina
- The Berenstain Bears' Trouble with Money by Stan and Jan Berenstain

Attachment A









Attachment B

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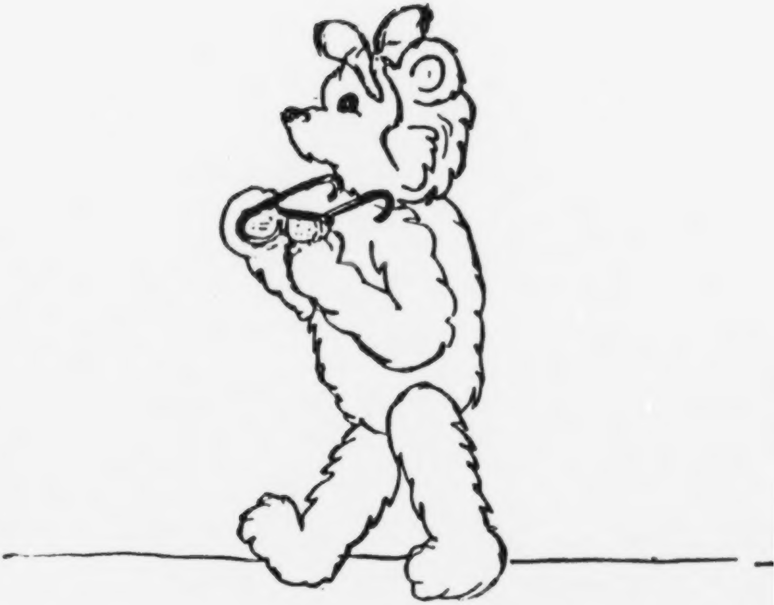
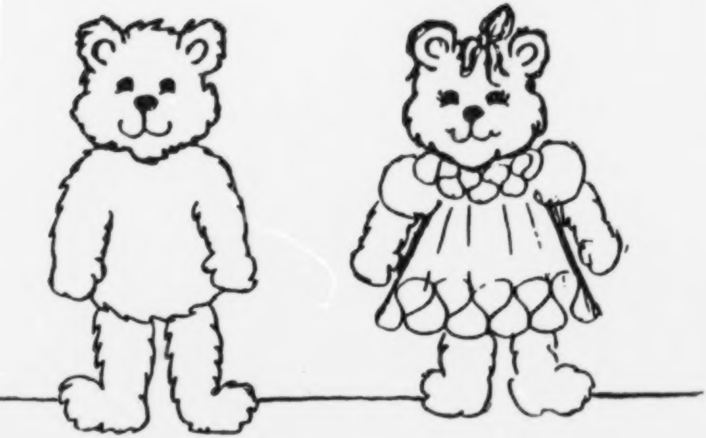
Attachment C

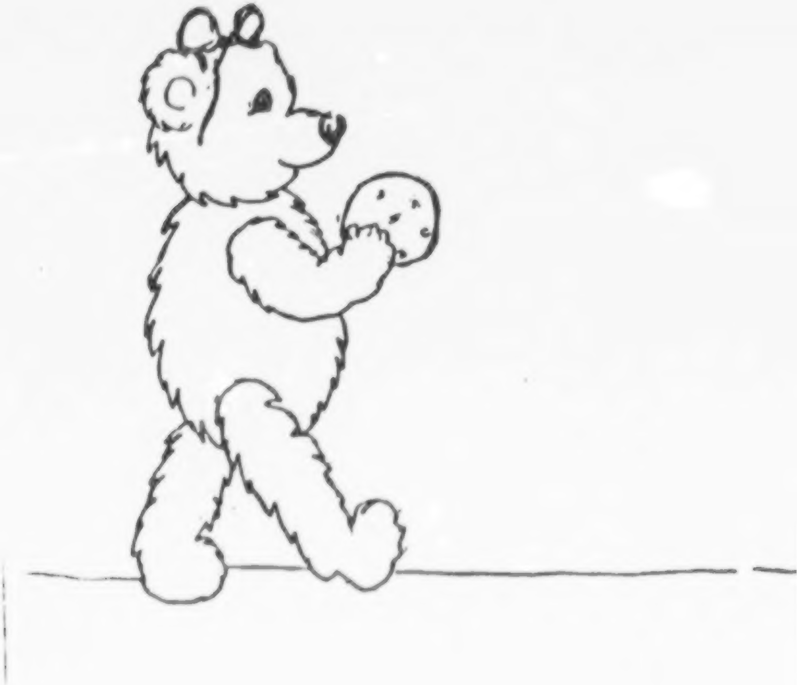


The sunglasses cost 25¢.

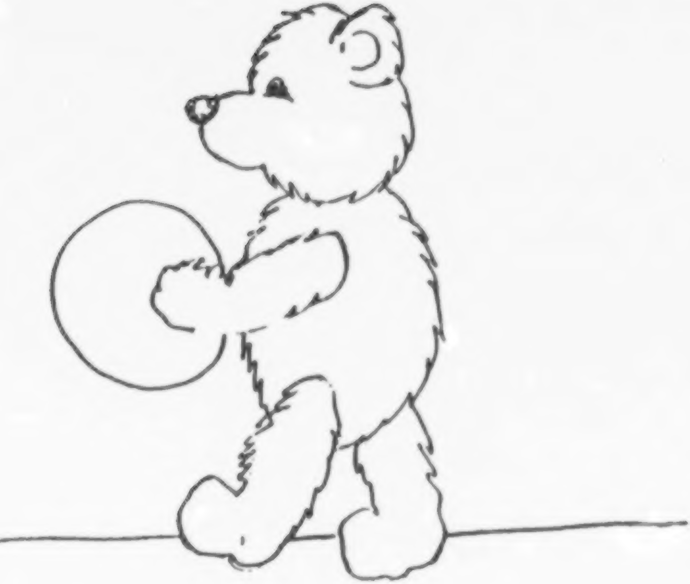
Let's Buy Something



Attachment D

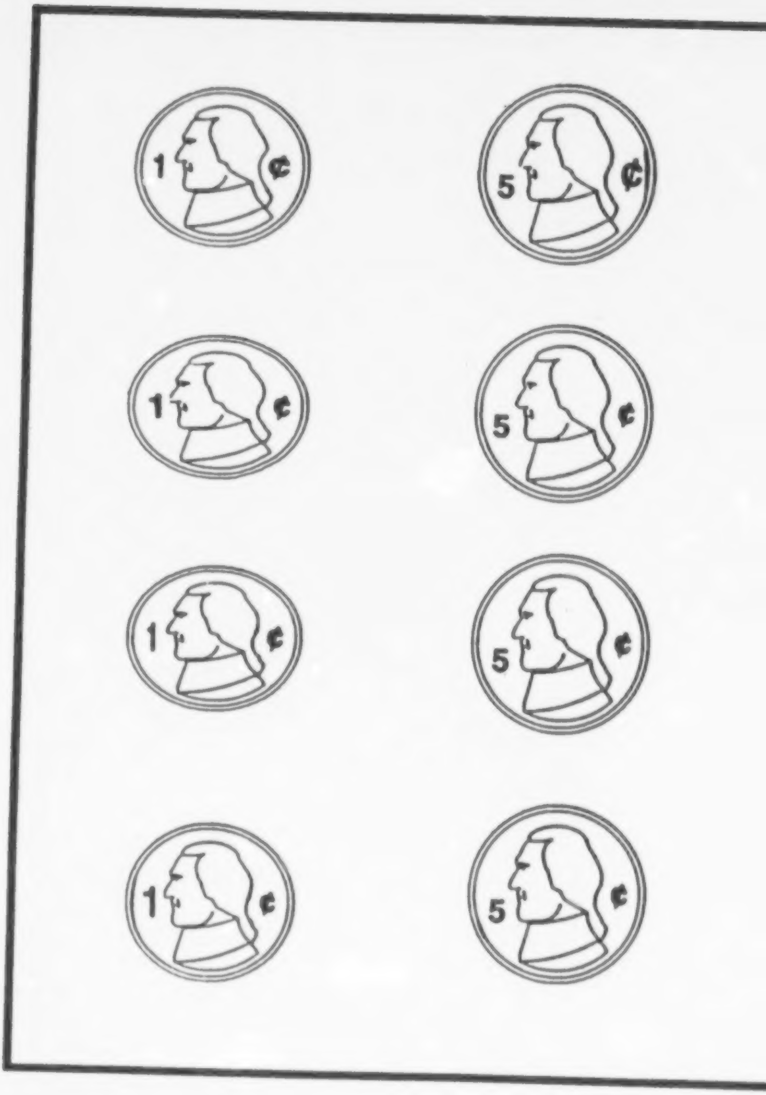


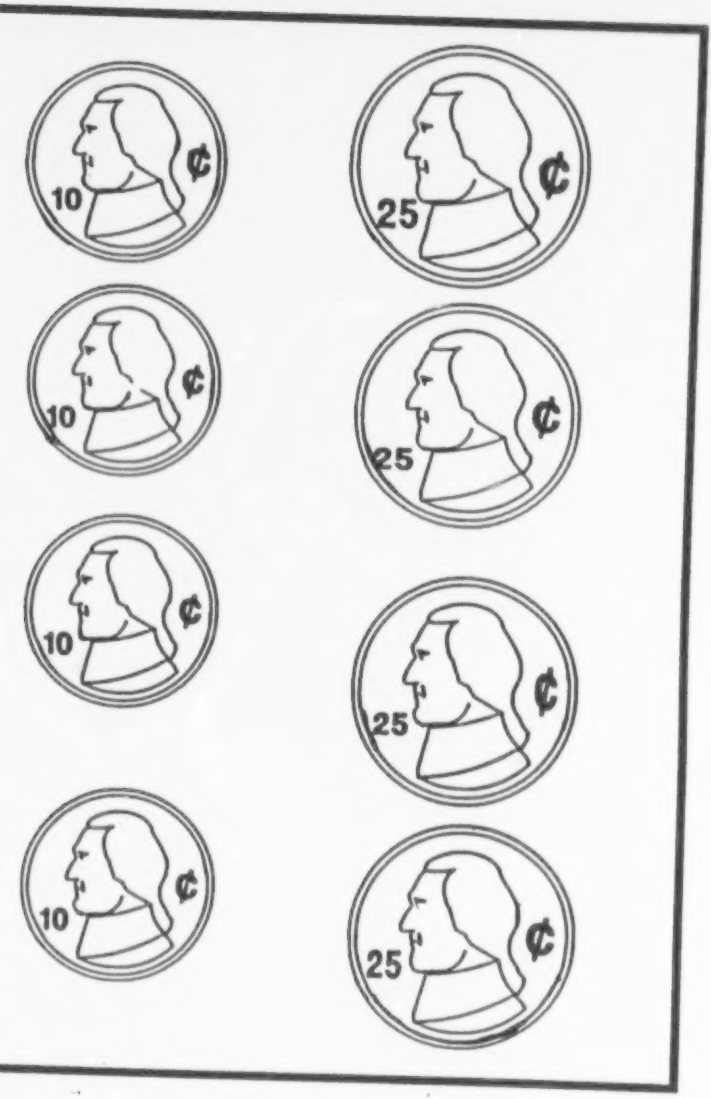
The cookie costs 5¢.



The ball costs 10¢.

Attachment E

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Grade Level: **Kindergarten**	Concept: **Ownership of Property**
Teacher Terms **Some property is owned individually or privately; some property is owned collectively or publicly.**	Student Terms **It is his, hers, mine (private). It is ours (collective or public).**

Objectives

The kindergarten student will be able:	**to identify property as his, hers, mine, ours.**

Resource Materials

- Large writing chart paper
- Mine, Yours, Ours
  (Attachments A and B)
- Sentence strips
- Paper, pencils, markers, crayons, glue
- Wallpaper samples
- Paper bags
- Jack and the Beanstalk
- Butcher paper
- Large index cards
- Teddy Bear

Focus

1. Teacher points to her shoe. "Whose shoe is this?" Teacher points to a student's shoe. "Whose shoe is this?" (Children respond.) Each of us have things that belong just to us. Things can also belong to all of us. This school belongs to all of us. This school room belongs to all of us. The playground equipment belongs to all of us. Even Econ Teddy belongs to all of us." (Hold up the bear.)

2. Have the students name some things that belong just to them at their homes. Have them name some things that belong to their brothers or sisters at their homes. Have them name some things that belong to them together with their family. Have each student name the group, His, Hers, Mine, Ours, in which to write responses. Write the students responses on large writing chart paper. Have the paper divided into sections: His, Hers, Mine, Ours.

Modeled and Guided Practice

1. Discuss ownership of property.
   In Econ Teddy's home some goods belong just to Econ Teddy. Some goods belong to Econ Ed. Some goods belong to Econ Mommy. Some goods belong to Econ Daddy. Some goods belong to everyone in the family. The family shares ownership of some goods. "Do you share goods in your home? Do you share the food at dinner time? Do you share the TV? Do you share a toothbrush?"

2. Make sentence strip with story, Mine, Yours, Ours (Attachments A and B).
   Have the story Mine, Yours, Ours written on a sentence strip in a reading chart so that all the students can see the words.
   a. Show page one of the booklet Mine, Yours, Ours. On the front page Econ Teddy and Econ Ed are holding different balls with a jump rope between them. " Who do you think owns the ball Econ Teddy is holding? Who do you think owns the ball Econ Ed is holding? Who owns the jump rope?" Have the class discuss the different possibilities.

b. Show page two of the book. "What do you think the words say on this page?" Read the words in the sentence strip after discussion. "'The red ball is mine,' said Econ Teddy."

c. Show page three of the book. "What do you think the words say on this page?" Let the children try to decode the sentence. Have it written on the sentence strip in the chart so that all the children can see the words. "'The green ball is yours,' said Econ Teddy."

d. Show page four of the booklet. "Can you decode this page?" Have it written on the sentence strip in the chart. "'The jump rope is ours,' said Econ Teddy."

e. Our book shows that, in Econ Teddy's family, some things belong to Econ Teddy. Some things belong to Econ Ed. Some things belong to them together.

f. Have the children read the sentence strips for Mine, Yours, Ours together. (Attachments A and B)

3. Make language experience chart.
List on a language experience chart things that belong to everyone at school. Include sentences like the following:

These things are ours. These things are ours.
The classroom is ours. The classroom is ours.
The playground is ours. The playground is ours.
The library is ours. The library is ours. etc.

Have the children add more lines. Write the words on large chart writing paper so that the children can see the words and chant with you as you write. Individual students chant with class response. Have one student chant about a good that is his/hers. For example: "This shoe is mine, this shoe is mine." Have the class respond with: "The shoe is his/hers. The shoe is his/hers." Call on another child who will chant about ownership of some other good. For example: "This book is mine. This book is mine. The class will chant back. "The book is hers/his. The book is hers/his." Continue until all students have had a chance to participate.

Independent Practice

1. Student copy of Mine, Yours, Ours (Attachments A and B).
Students fold the paper in half to make their own books, Mine, Yours, Ours. Students color the pictures, read the story to a friend, read the story to the teacher, and take the book home to read.

2. Student writing.
Have students write a story about Econ Teddy and her family. It can be similar to or different from Mine, Yours, Ours (Attachments A and B). Each student will draw four pictures to illustrate his/her story. The student will dictate the words for the story. The teacher can print the words on each page. The student will choose a wallpaper sample for the book cover. Write the name of the story and the author's name on the cover. Ask the student if he/she wants to give the book to the class. If the answer is yes, have the student read the story to the class and place the book in the classroom library. Now the book is the property of all the children in the classroom. The ownership has changed. Why has it changed?

3. Teddy Bear puppet from paper bag.
Let the puppet be one of the characters in the story written by the student. Have the student decorate a paper bag. The student will make a paper face to glue on the top half of the bag, add ears, clothes and paper paws to the bag. Act out an original story. Have the students use the paper bag puppets to act out the stories they have written. Each puppet belongs to the student that made the puppet.

Evaluation

1. The student will respond to activities.
2. The class will discuss activities.
3. The students will make decisions in the various classroom situations.
4. The student will read small book, Mine, Yours, Ours (Attachments A and B), to teacher.
5. The teacher will observe students performing activities.

Extension

1. Read Jack and the Beanstalk. Discuss the story and the property rights of the giant.

2. Make a classroom mural. Have the students work on a mural during center time. Each child draws and pastes a picture of himself/herself in a section of the large mural. In his/her section, each student will write the caption, "MY STUFF," his/her name and the names of things in the classroom that belong to the student. In another section of the mural will be a space labeled "OUR STUFF." Students will add words of things in the classroom that belong to everyone. Students will read the labels they have placed on the mural.

3. Have the students learn the song, "This Old Man." "Who did the thumb, shoe, knee, door, hive, sticks, heaven, gate, and spine belong to?" Then, sing "His, Hers, Mine, and Ours" to the tune of "Head, Shoulder, Knees, and Toes." Give each student an index card with the word His, Hers, Mine, or Ours written on it. When the word is sung, the student will hold up that card.

HIS, HERS, MINE, AND OURS

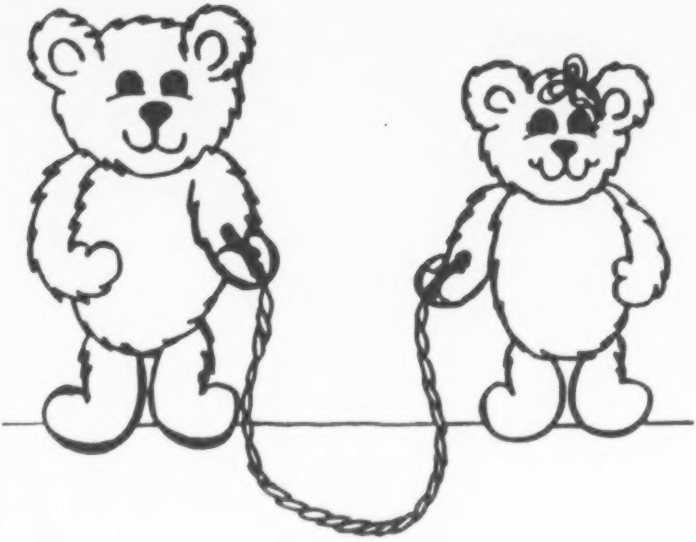
His, hers, mine, and ours,
His, hers, mine, and ours,
His, hers, mine, and ours,
We all stand up together.

Ours, mine, hers, and his,
Ours, mine, hers, and his,
Ours, mine, hers, and his,
We all sit down together.

Additional Resource Materials

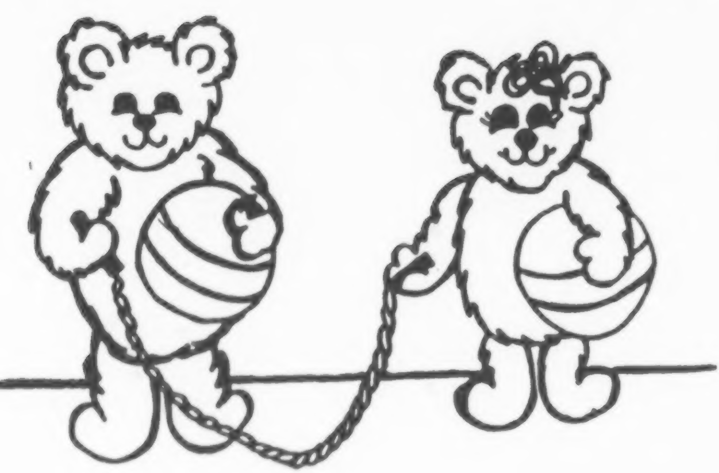
- Anansi and the Moss Covered Rock retold by Eric A. Kimmel
- Bargain for Frances by Russell Hoban
- Blueberries for Sal by Robert McCloskey
- Caps for Sale by Esphyr Slobodkina
- City Mouse, Country Mouse
- Happy Birthday, Moon by Frank Asch
- I'll Build My Friend a Mountain by Bobbi Kak
- Magic Tablecloth
- Miss Suzy by Miriam Young
- The Mitten by Alvin Tresselt
- Raccoon and Mrs. McGinnis by Patricia Martin

Attachment A

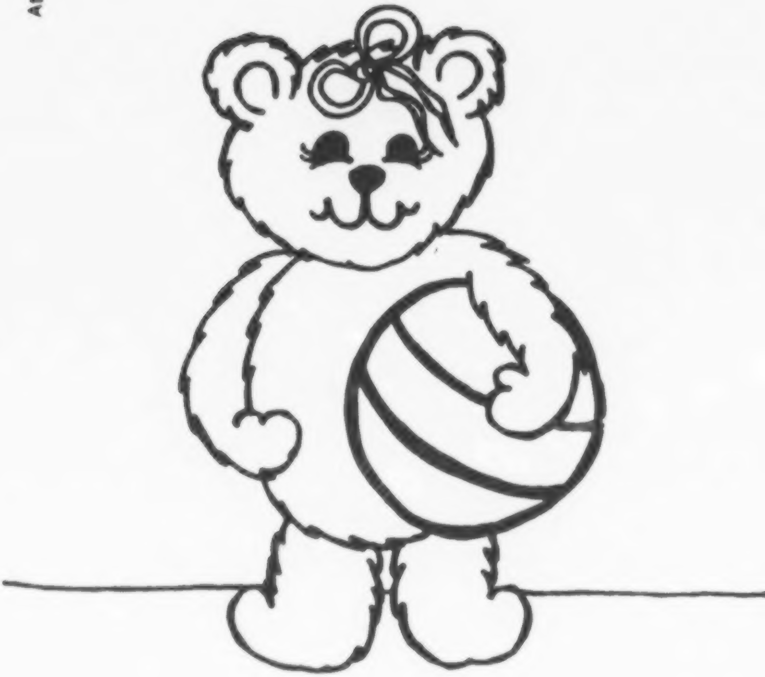


The jump rope is ours,
said Econ Teddy.

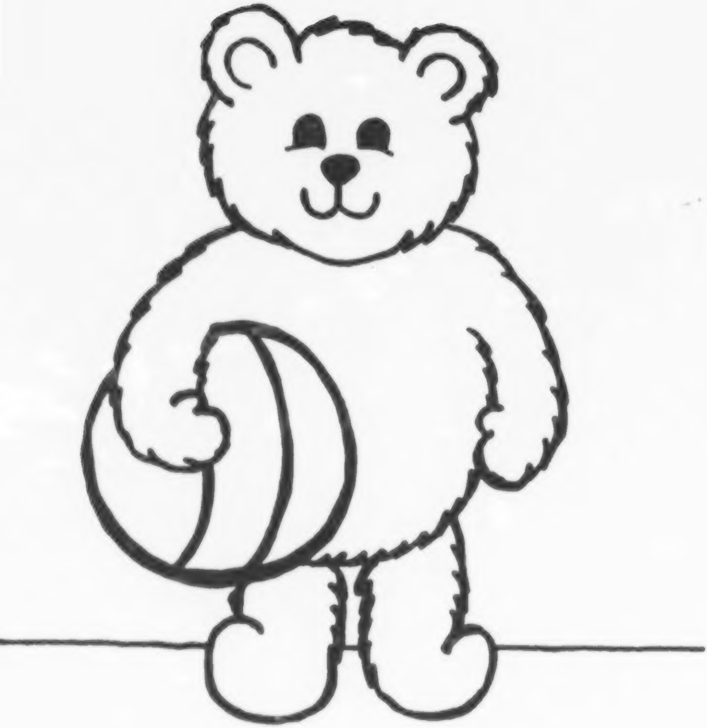
Mine, Yours, Ours



Attachment B



The red ball is mine,
said Econ Teddy.



The green ball is yours, said Econ Teddy.

Grade Level: **Kindergarten** Concept: **Satisfying Family Wants**

Teacher Terms	Student Terms
How the wants of family members are satisfied.	**How my family takes care of me.** **How families share.**

Objectives

The kindergarten student will be able:	**to state how families get the things they need every day.**

Resource Materials

- Teddy Bear
- Large writing chart paper, sentence strips
- Families Share (Attachments A and B)
- Paper bags, newspapers, cardboard rolls, yarn
- Ice cream sticks
- Cards with drawings of homes, food, clothing, love
- Construction paper
- Paper, paint, brushes, crayons, markers, pencils, glue
- Butter, peanut butter, brown sugar, oats

Focus

"Let's have a look at Econ Teddy again. (Hold up the Teddy bear.) Econ Teddy is a little girl bear. Can she live all by herself? Why not?" (Because she is small and young, she must live with her family. An adult must support her by providing clothing, food, and a home until she is big enough to provide these things for herself.)

Modeled and Guided Practice

1. Discuss the term "family."
   A family is a group of people who love and care about each other. The people you live with are your family. While each family is unique, all families want many of the same things. Families want a home, clothes, food, and loving care. Families provide their family members with basic wants such as shelter, food, clothing, and love. Family members depend on each other for the things they need to live, stay healthy, and be happy. It is the family's responsibility to make sure its members have a home, food, clothing, and love.

2. Ask questions about providing for family wants.
   a. How do families share and show love? 1) hugs, 2) kisses, 3) talking and listening, 4) caring for a sick member, 5) teaching each other new things.
   b. How do families get homes, food, and clothing?
   c. What is needed to pay for homes, food, and clothing?
   d. Where does the money come from?
   e. Do family members have jobs around the house?
   f. Do you work around the house?
   g. How would you feel if you had to do all the jobs or chores at your house?
   h. Do you think that would be fair?
   i. What would be a better, more fair, way to get work done at home?

Teacher explains that the family has jobs. The family members do things together. Everybody helps. The family shares the work. The family also shares the fun.

3. Make up a story.
Have students make up a story about a bear family, perhaps Econ Teddy's family, with a situation that resembles that of The Little Red Hen. Write the story as a large group on large chart paper. Let all the students participate in the writing of the story. Read the story together as a large group.

4. Group story time.
Read the Econ Teddy Story, Families Share (Attachments A and B), to students.

FAMILIES SHARE

Econ Daddy, Econ Mommy, Econ Ed, Econ Teddy
Econ Daddy and Econ Teddy go and get honey.
Econ Mommy and Econ Ed go and get berries.
Econ Teddy's family shares.

5. Sentence strips.
Put the story of Teddy on sentence strips. The students choral read the sentence strips.

6. Create a book.
Make a big book (easel size) of Families Share (Attachments A and B). Have the students paint pictures of Econ Teddy and his family. Put the pictures into a big book. Write the story on the pages of the big book.

7. Group reading.
Let students read the big book as a large group several times. Put the big book in the reading center. Let children check it out to take home.

Independent Practice

1. Paper bag puppets or ice cream stick puppets.
   a. Have the students draw faces on paper bags. Crush sheets of newspaper into balls and stuff the bags. Insert a cardboard roll about halfway into the bag. Tie the bag at the neck with a piece of yarn going around the roll. Have students cut paper or yarn to glue on for hair. Instead of the paper bag puppets, the students can make stick puppets. Have the students draw pictures of people in a family. Cut out the pictures. Staple or glue them to ice cream sticks.
   b. Using the puppets, a small group of students will act out a family situation and show how families work together to meet their wants.
   Examples of family situations:
      1) A child has outgrown a pair of shoes.
      2) A child is afraid of the dark.
      3) Mother is sick and the family is hungry for breakfast.
      4) A family wants to buy a new car.
      5) A boy and girl have a new baby sister and their house has three bedrooms.

2. Category card game.
Match cards in the same category. Have the students play "Concentration." Have eight picture cards--two with pictures of homes, two with pictures of clothes, two with pictures of food, and two with pictures of love. (Directions for two players. The dealer lays all the cards face down in rows. The first player turns over two cards. If they are both in the same category, the player keeps the pair and takes another turn. If the two cards are not the same, the player replaces them and the other player picks cards. Play continues until all cards are matched.)

3. Helping hands.
Have students trace their hands on pieces of construction paper with their fingers spread apart. Ask the students what new jobs would they like to do at home for their families. Write a job on each of the helping hands. Have the students take their helping hands home and surprise their families.

4. Families Share book.
Students fold paper in half to make their own book, Families Share. Students color the pictures, read the story to a friend, read the story to the teacher, and/or take the book home to read.

5. Journal writing.
Student will draw a line down the middle of a piece of journal paper. On the left side of the paper the student will draw a picture of a favorite job at home. On the right side of the paper, the student will draw a picture of a least favorite job at home. Have student use inventive writing to explain picture or have student dictate the words for the teacher to write.

Evaluation

1. The class will discuss activities.
2. The student will respond to activities.
3. The student will explain drawings.
4. The student will read the small book, Families Share (Attachments A and B), to the teacher.
5. The teacher will observe students performing activities.

Extension

1. With the help of the student's family, the student will make a picture time line of his/her life. The time line will show how the student has grown and changed since infancy.

2. During snack time at school, the children will talk about their classroom being like a family. We work together, we play together, and we share things. Let's share some food.

PEANUT BUTTER BUMPS
(Makes 30 balls)

1/4 cup soft butter	1/2 cup brown sugar
1/2 cup peanut butter	2 cups rolled oats (regular or quick)

a. In a medium bowl, mix all of the ingredients together.
b. Cover and chill in refrigerator for 15 minutes.
c. Roll into one-inch balls and serve.

3. Sing about sharing work at home and at school. Have the children sing the song together as they clean up the room. (Tune to The Farmer in the Dell)

"CLEAN UP"

Good helpers we will be,
Good helpers we will be,
There's work for all, there's work for all
Good helpers we will be.

We're cleaning up our room,
We're cleaning up our room,
We're putting all our toys away,
We're cleaning up our room.

4. The children will repeat the poem several times so later they can share it with their families.

"The Family"

It may be big!
It may be small!
But a family is best of all!

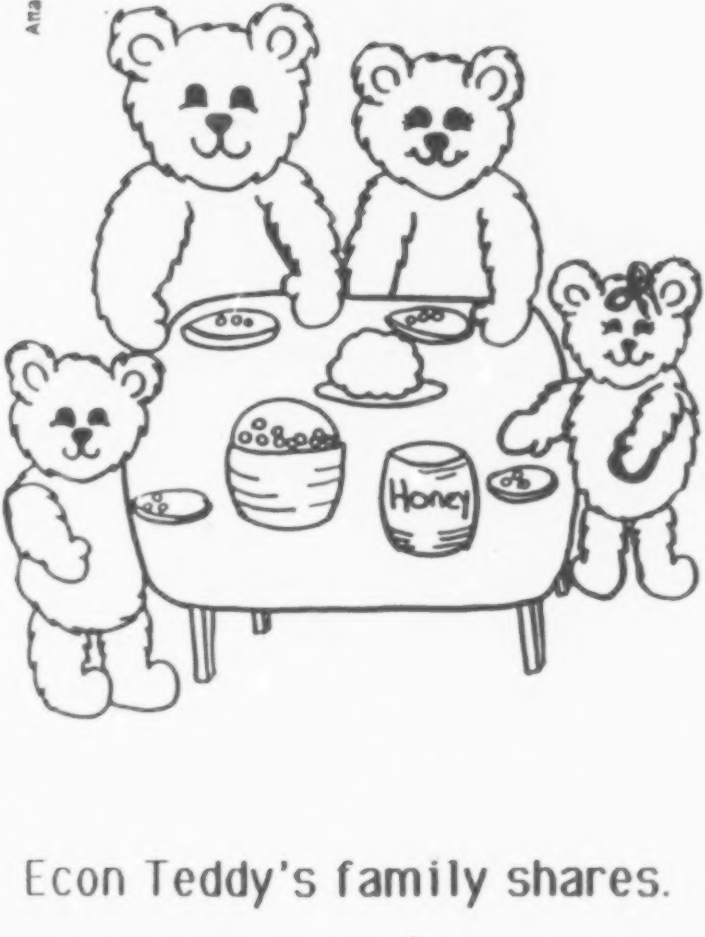
As we work and as we play,
We're together everyday.

It may be big!
It may be small!
But a family is best of all!

Additional Resource Materials

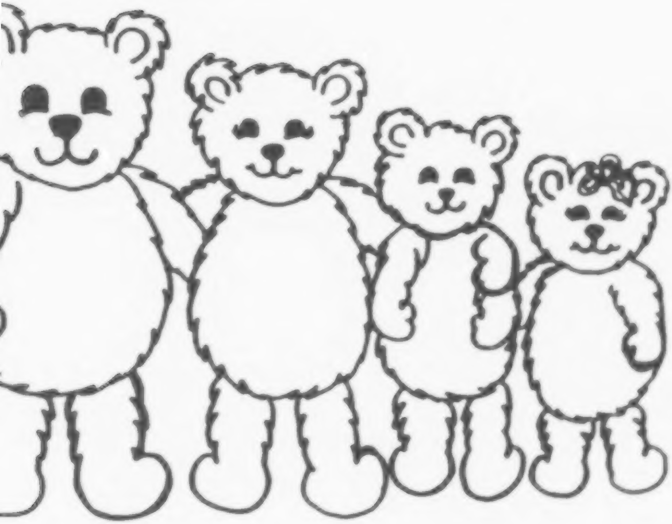
- The Best Nest by P. D. Eastman
- Bunny Trouble by Hans Wilhelm
- Claude the Dog by Dick Gackenbach
- Ickle Bickle Robin by Edna Preston
- Make Way for Ducklings by Robert McCloskey
- Mole Family's Christmas by Russell Hoban
- Mommies at Work by Eve Merriam
- Pain and the Great One by Judy Blume
- Pocket for Corduroy by Don Freeman
- Secret Kitten by Anne Mallet

Attachment A

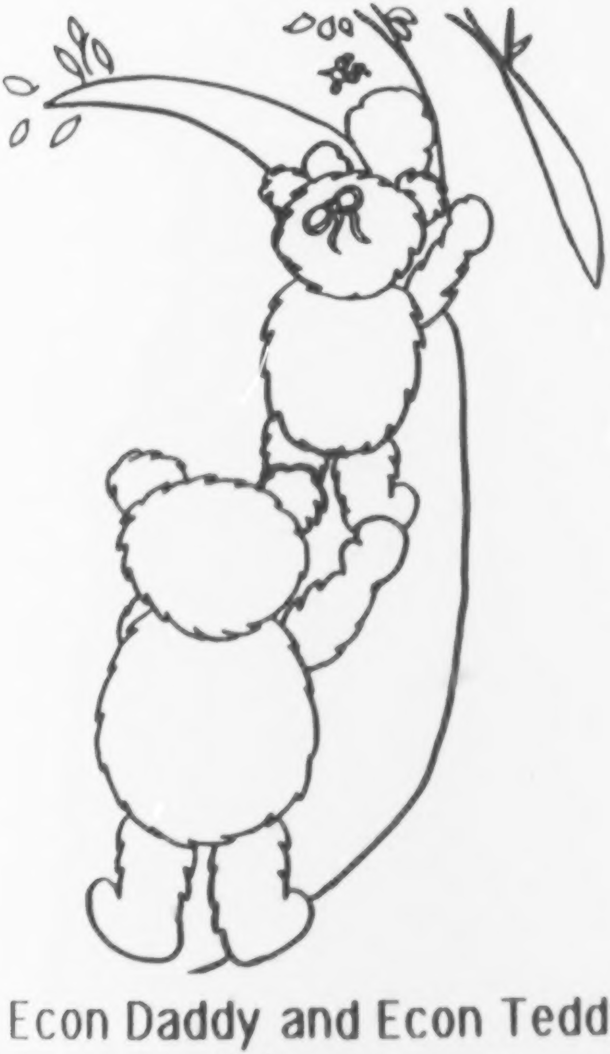


Econ Teddy's family shares.

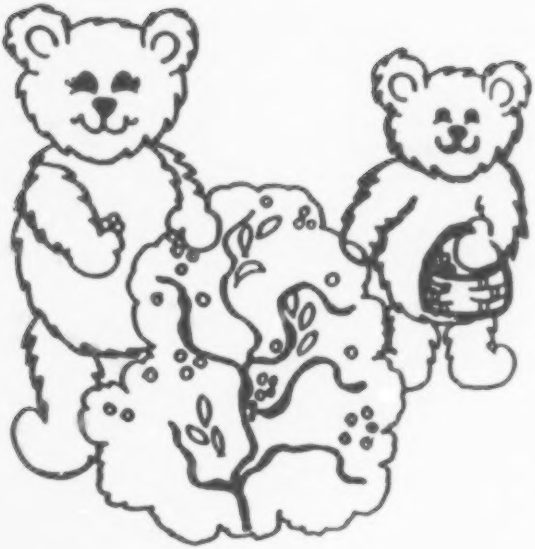
Families Share



Econ Daddy, Econ Mommy,
Econ Ed, Econ Teddy



Econ Daddy and Econ Teddy go and get honey.



Econ Mommy and Econ Ed
go and get berries.

Grade Level: **Kindergarten**

Concept: **Scarcity**

Teacher Terms

Condition of not being able to have all of the goods and services that you want.

Student Terms

You can't have everything you want.

Objectives

The kindergarten student will be able:

- **to define the term "scarcity."**
- **to make careful choices because of limited resources.**
- **to give an example of an experience he/she has had with scarcity.**

Resource Materials

- Teddy Bear
- Going Shopping (Attachments A and B)
- Sentence strips
- Moon Cake by Frank Asch
- Paper, markers, crayons, paint, brushes, pencils and glue
- Small cardboard box
- Large cardboard box
- Tape recorder and blank tapes
- Pilgrim's First Thanksgiving by Ann McGovern
- Celery, peanut butter, raisins, two apples, cheese, two bananas
- Butcher paper

Focus

Hold up Econ Teddy and tell the story about Econ Teddy's shopping trip or read the story Going Shopping (Attachments A and B) and hold up pictures. "Econ Teddy is all dressed up and going shopping. Econ Teddy sees a book that she would like to buy. It costs one dollar. Then she sees a jar of honey that she would like to buy. It costs one dollar. Econ Teddy looks in her purse. She has one dollar. What will Econ Teddy do?"

Modeled and Guided Practice

1. Discuss scarcity.

   Have the students discuss Econ Teddy's options. Let them decide what she will do.

   a. Why can't she get both the book and the honey?

   b. Why does she need to make a choice?

   c. Why can't she have everything she wants?

   "This is an example of scarcity. People's wants always exceed the resources available to supply those wants."

   "When you go to the store, can you buy anything you want? Can everyone get everything they want?" Students should understand that people's wants always exceed the resources available to supply those wants.

   "Why do your parents sometimes say 'no' when you ask for money? Why do they say 'no' even when they have the money?" Students should understand that there might be a need to spend the money on other things.

"Did you ever want to buy something and the store didn't have any more? Why did that happen?" Students should understand that there were only so many items available and there were more people wanting the items, so someone had to go without.

2. Put Going Shopping story (Attachments A and B) on sentence strips. Read the sentence strips to the students. Read with the students. Students choral read the sentence strips.

3. Read the story Moon Cake by Frank Asch.
   a. Retelling story: Have the children retell the story of Moon Cake. Have them map the story. They will tell the main characters, the setting, the problem in the story, the sequence of events, the solving of the problem, and the ending of the story.
   b. Moon trip: Ask the children if they have ever been to the moon. Tell the children, "Today, like the bear in Moon Cake, we are going to take a trip to the moon. You will draw the things you would like to take with you to the moon. In the story, Moon Cake, the only thing the bear took was a spoon. I'll bet you would like to take a lot of other things, especially, if you were going to be on the moon for five days."

      After about 10 minutes, stop the activity and say, "Oops! I forgot to tell you that we won't have enough room for everything. Our rocket ship is very small and because space is so limited each person can only take two things. From your list you must choose only two things to take with you. You are experiencing scarcity!"

      Packing the box to go to the moon. Each student will cut out the pictures of two things he/she wants to take and pack them into a box. After the box has been packed by the students and teacher, seal the box. Have the students decorate the box with messages or pictures using markers. Set the box in a special place to be loaded onto the rocket ship.
   c. Have the students sing to the tune of "Bingo."

"SPACE"

I want to go to outer space
I have to make some choices
S-P-A-C-E
S-P-A-C-E
S-P-A-C-E,
I'd like to take my bear there.

Repeat the verse five times. Eliminate the first letter with a clap, then the first and the second letters with two claps, etc., until you are clapping the word SPACE. End song with, "I'd like to take my bear there."

Independent Practice

1. Student copy of Going Shopping (Attachments A and B).
   Students fold a sheet of paper in half to make their own Going Shopping books. Students will color the pictures of things they would like to buy. Students can read the story to a friend, the teacher, and/or take the book home to read.

2. Rocket construction.
   Have students build and paint a rocket from a refrigerator size cardboard box. Assign groups of four children at a time to paint the rocket. Have only two paint brushes. Let the students brainstorm for a solution to the scarcity of brushes. When the rocket is completed, have the students place the sealed box of items in the rocket (refer to Modeled and Guided Practice 3.b.). When the box is opened, the children will discover that the teacher has put her two items, two books, in the box also. Use the rocket as a quiet reading corner in the classroom.

3. Taped stories.
   Have student use the tape recorder and tell a story about a time when scarcity was experienced. The story can be shared with a friend, with the large group during sharing time, or placed in a listening station.

4. Big book.
   Have students paint one thing each would like to buy. Have students label their pictures and put a price on the item. Put all the pictures together into a big book. Add the total amount required to buy all of the items and then label the book "Going Shopping with Dollars." Write an amount of money that is one-half the total cost of the items in the book. On the back cover write in large print, "SCARCITY !! WE CAN'T HAVE EVERYTHING WE WANT."

Evaluation

1. The student will respond to independent practice activities.
2. The class will discuss activities.
3. The students will make decisions in situations of scarcity.
4. The student will read the book, Going Shopping (Attachments A and B), to the teacher.
5. The students will explain drawings.
6. The teacher will observe students performing activities.

Extension

1. Share a story about Pilgrims, The Pilgrims First Thanksgiving.
   a. Read the story, The Pilgrims First Thanksgiving by Ann McGovern.
   b. Discuss the story.
      1) When the Pilgrims were on the Mayflower, did they experience scarcity?
      2) When the Pilgrims arrived in America, did they experience scarcity?
         Have students explain the problems the Pilgrims had with scarcity on the Mayflower and the first year in America.
      3) What did the Pilgrims do to try to solve the problem of scarcity?
      4) Were the Pilgrims able to solve some of the problems of scarcity?
      5) Did the Pilgrims do away with scarcity? Students should understand that wants are more or less limitless and that resources are always more or less limited.

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2. Discuss solutions to scarcity problems.
    a. Have the students talk about scarcity in their lives.
    b. Perhaps listen to the tapes recorded earlier. Have students brainstorm ways to cope with scarcity.

3. Prepare treats.
    a. All students work together to prepare three different treats. Make less of each treat than there are students.
    The following treats could be used:
        1) Over-stuffed celery: Wash celery stalk. Cut it into two-inch pieces. Fill the center with peanut butter. Top it with three or four raisins. Make 10 or fewer servings.
        2) Cheese-fruit kabob: Cut two apples into slices and a two-inch chunk of your favorite cheese into small chunks. Put one piece of cheese and one piece of apple on a toothpick. Make 10 or fewer servings.
        3) Banana sandwich: Slice two bananas into round slices. Put peanut butter between two circles of banana. Make 10 or fewer servings.
    b. Explain to the students that we have a scarcity of treats. There are not enough treats for every child to have one of each kind. Let the students decide what to do about the scarcity of treats.
    c. Have each student make a first, a second, and a third choice of the treats. Count how many students choose which treat as a first choice, as a second choice, and as a third choice.

4. Have students learn and sing a song about "Scarcity." (tune of "London Bridge")

"SCARCITY"

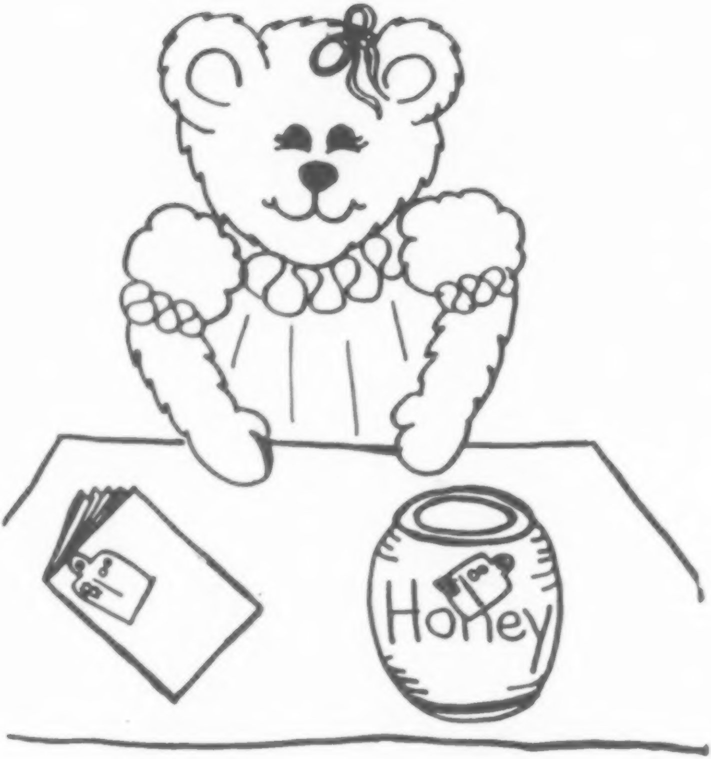
I have only fifty wants,
Fifty wants, fifty wants,
I have only fifty wants,
Don't tell me, no!

You can't have everything you want,
Thing you want, thing you want,
You can't have everything you want,
Scarcity says so!

Additional Resource Materials

- Bear Circus by William du Pois
- Charlie Needs a Cloak by Tomie de Paola
- Indian Two Feet and His Horse by Margaret Friskey
- The Man Who Didn't Wash His Dishes by Phyllis Krasilovsky
- The Puppy Who Wanted a Boy by Jane Thayer
- Stone Soup by M. Brown

Attachment A

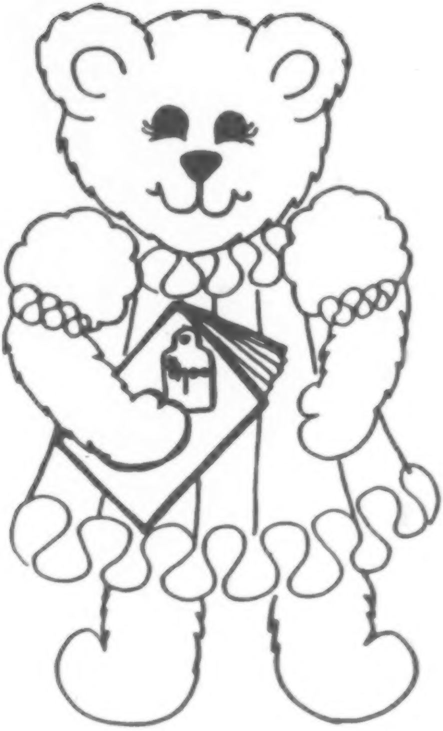


What will Econ Teddy get?

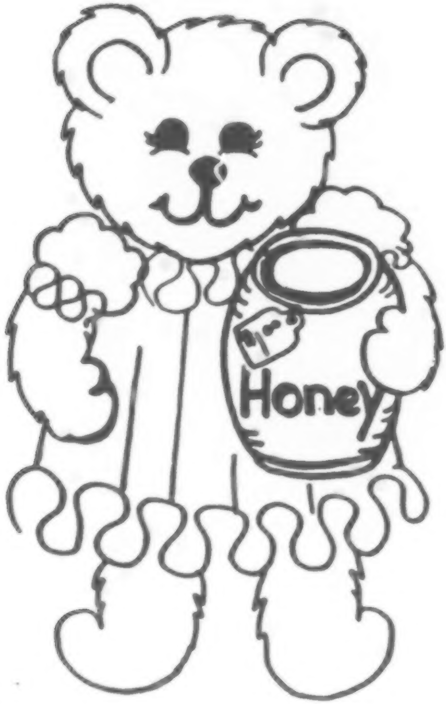
Going Shopping

Econ Teddy is going shopping.

Attachment B



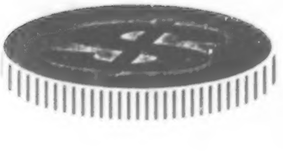
Econ Teddy wants a book.



Econ Teddy wants a
jar of honey.

Grade

1



Grade Level: **First** Concept: **Wants**

Teacher Terms

Desires that can be satisfied by consuming a good or service.

Student Terms

Feelings that can be satisfied by consuming or using a good or a service.

Objectives

The first grade student will be able: **to recognize that "wants" are satisfied by consuming goods and services and to give examples of their own wants.**

Resource Materials

- Econ Bears Go Shopping (Attachment A)
- Chart paper
- Paper, pencils, crayons
- "Want cards" for math center
- If You Give a Mouse a Cookie by Laura Joffe Numeroff and cookie pattern (Attachment B)
- Words to the nursery rhyme "Old Mother Hubbard"
- Magazines, construction paper, glue, scissors, Popsicle sticks
- Record, tape and/or words to "The Chipmunk Song" (Attachment C)

Focus

1. Ask the students, "What do you think of when someone tells you that you're going shopping at a mall (or department store)?" List answers on the chalkboard and discuss how things the students would like to have and the things they would like to do are called, "**wants.**"

2. Pass out copies of Attachment A. Talk about what kinds of things Mom and Dad are thinking about buying and what kinds of things the children are thinking of. Have the children draw "wants" that Mom and Dad might be thinking of and "wants" that the children might have.

Modeled and Guided Practice

1. Take a "want" survey of the classroom. Make a class chart of things that children want and how many children want each thing. For example:

Good/service wanted	List of people wanting it
1. Candy 2. Skate board	Charlie, Susie, Juan Jill, Arthur, Tom

Discuss why some people want one thing and other people want different things.

2. Read the nursery rhyme, "Old Mother Hubbard," to the class. Talk about the things that the dog wanted in each verse. As a class make up other verses to show what else the dog might want. Other examples of items a dog might want: collar, treats, bed, food, water, toys.

Suggested new verse:

She went to the pet store
To get him a leash,
When she got back, he
Had gone to the beach.

Children learn the new verses and recite them as a class.

Independent Practice

1. Have the students take a "want" survey of their own family members. They make a "family" chart similar to the one made in class. Use the categories: "Wants" and "Number of people in the family who want them." They bring it to school and present it to the class.

2. Divide the class into four groups. Give each group a card with a "want" on it: Examples: a hamburger, an umbrella, a bed, and a television set. Each group will solve this problem, "How can five people share only one of these items?" The groups present their solutions to the class.

3. Read a book such as If You Give a Mouse a Cookie by Laura Joffe Numeroff that illustrates the concept of "wants." Talk about the "wants" of the mouse in the story and list them on the board. Have the children sequence the wants in picture form by making a cookie book. They will trace the cookie pattern (Attachment B) on several pieces of paper to make the "cookies." On each cookie, they will draw a picture of one of the mouse's wants. Arrange the cookies in the order that they happened in the story and staple them together to form the "cookie" book.

Evaluation

1. The student will fold a piece of paper in half and on one half copy three "wants" from the board (e.g., food, clothing, shelter). On the other half, the student will draw one "good" that would satisfy each want.
2. The student will discuss activities.
3. The student will respond to activities.

Extension

1. Listening Center: Children will listen to "The Chipmunk Song (Christmas don't be late)" by Ross Bagdasarian. Then have them sing "Summer Don't Be Late" to the tune of "The Chipmunk Song." Students will then make up their own words to illustrate their own wants.

2. Math Center: Make up word problems illustrating "wants." Problems can be on cards or on a sheet of paper for children to work on in the Math Center. For example:

   Mary wants to buy a jump rope.
   She has 10¢. Jump ropes cost 15¢.
   How much more money does Mary need
   to buy the jump rope?

   John wants to buy a toy car
   The car costs 20¢.
   John earns 5¢ on Monday, 3¢ on Tuesday
   and 10¢ on Wednesday. How much more
   money does John need to buy the car?

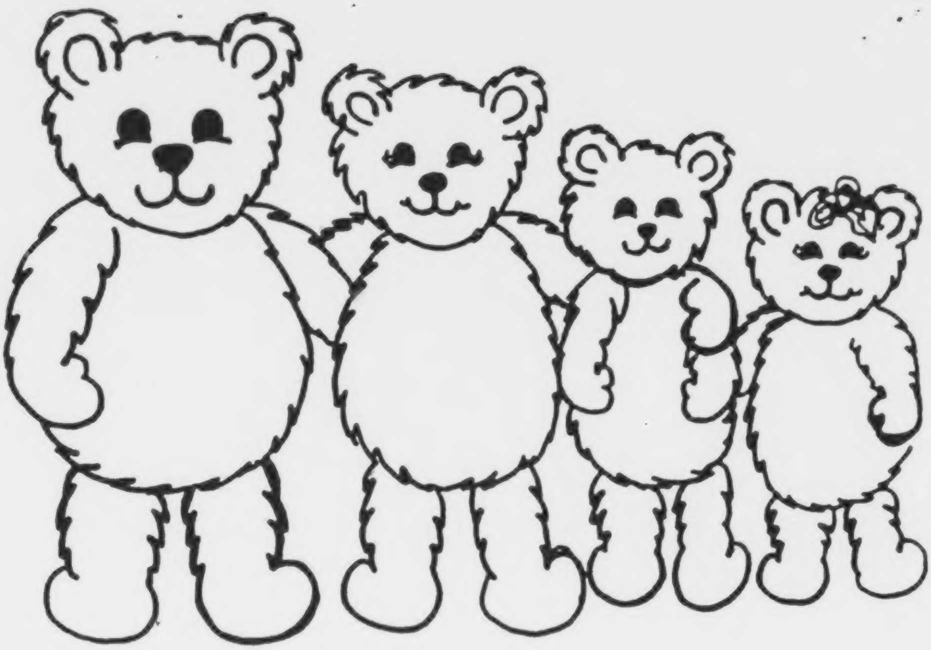
3. Art Center: Children make a "wants" collage using pictures from old magazines.

4. Puppet Center/Drama Center: Make an "Old Mother Hubbard" and a "dog" stick puppet. Act out the nursery rhyme using the verses that the class created.

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- "Pennywise," video
- "Econ and Me," video
- It's a Rainbow World by Sandra Thomas
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey

Let's go shopping at the mall.

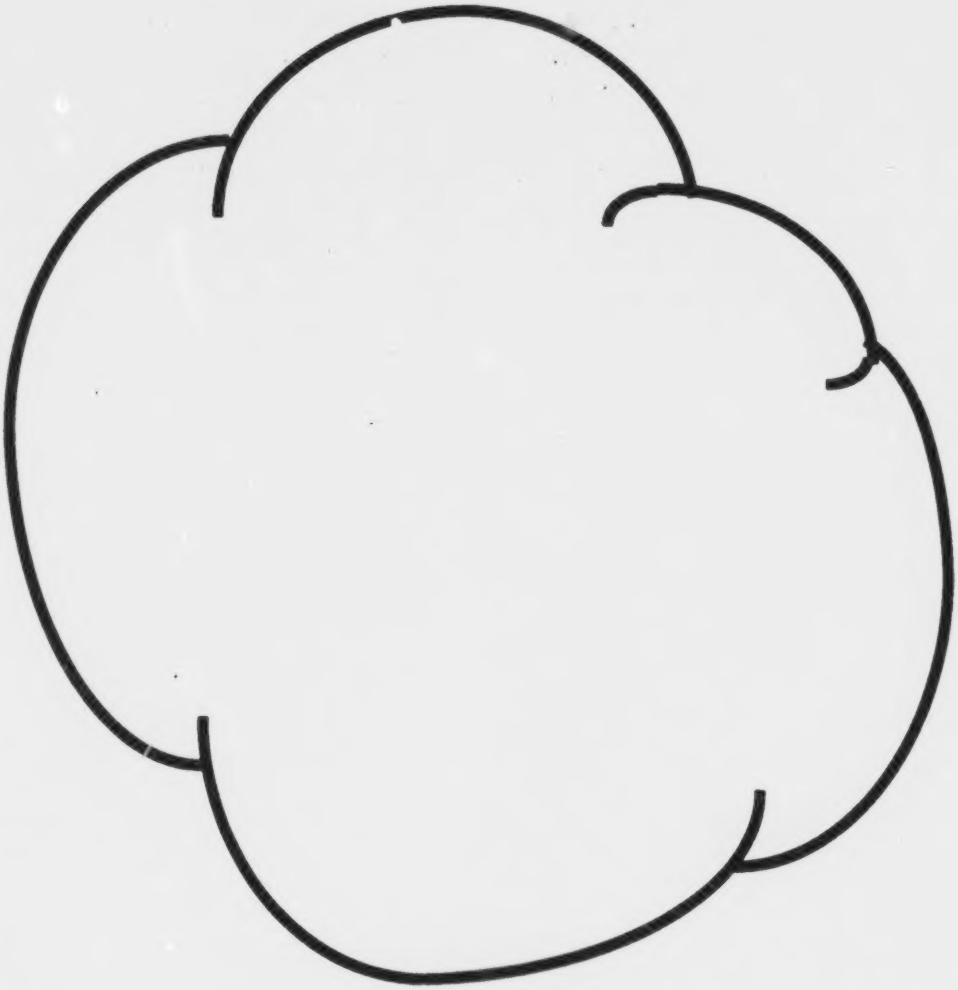


Econ Daddy	Econ Mommy	Econ Eddie	Econ Teddy

What do you think Econ Daddy, Econ Mommy, Econ Eddie and Eco Teddy want to buy at the mall?

Attachment B

Cookie Pattern



"Summer Don't Be Late"

(Sung to the tune of "The Chipmunk Song")

Summer, summer time is near,
Time for toys and time for cheer.
We've been good, but we can't last
Hurry Summer, hurry fast.
Want to play outdoors all day;
Me, I want to go away.
We can hardly stand the wait.
Please summer don't be late.

Grade Level: **First**

Concept: **Goods**

Teacher Terms

Objects that can satisfy human wants.

Student Terms

Things that people want which can be held or touched.

Objectives

The first grade student will be able: **to identify what "goods" are and that "goods" satisfy wants.**

Resource Materials

- Copy of story, Cinderella
- Resource person (such as the school secretary)
- Paper, pencils, crayons, glue, scissors
- Newspapers, magazines
- House pattern (Attachment)
- Items for the classroom store
- Play money, coins
- Chart paper
- Book, such as Ask Mr. Bear by Marjorie Flack
- Popsicle sticks

Focus

Read the fairy tale, "Cinderella," to the class. Talk about Cinderella's "wants" in the story. (She wants to go to the ball.) Talk about why she can't go. What does she need to be able to go to the ball? (dress, shoes, coach, horses, coachman) State the fact that all of these things are called "goods." "A 'good' is something people want that you can hold or touch."

Modeled and Guided Practice

1. Plan a pretend class party. Brainstorm for ideas about the goods you would want to have at the party. Include such items as balloons, favors, drinks, food, games. List these goods on the chalkboard and reinforce the meaning of the term "goods."

2. Ask children to tell about the goods they are asked to bring to school at the beginning of the school year. Invite the individuals who order supplies for the school (school secretary, principal, assistant principal, etc.) to talk to the class about how they determine what goods to order for the school. (Include the teacher's wants in this discussion.)

Independent Practice

1. Have the children draw the goods that Cinderella needs to get to the ball.

2. As a creative writing activity, have the children pretend that they each have a fairy godmother who can give them whatever they want. The children will write about what goods they will ask for and explain why they are needed. This could be a letter writing activity in which the children write letters to their fairy godmothers.

3. Have each child draw or find a picture of a good that would satisfy a want in the classroom or school. Display an outline of a school on a bulletin board. Children place on the bulletin board the pictures they have made or found.

Evaluation

1. When given a piece of paper and a house pattern, the student will trace the pattern and draw five goods inside the house that would satisfy wants in his/her home (Attachment).

2. After hearing a story, such as Ask Mr. Bear by Marjorie Flack that illustrates the concept of goods, the student will list on a piece of paper the goods that are in the story.

Extension

1. Math Center: Students may buy goods from a classroom store. Use actual items (or empty containers) or pictures of items as the goods to be purchased. Give students a specified amount of play money (use pennies, nickels, dimes and quarters) so that they are required to add and subtract whole numbers.

2. Language Arts Center: Provide old newspapers in which goods are advertised. Have children cut out advertisements for goods, glue them to a piece of paper, and write what goods were advertised below the ads.

3. Science Center: Provide old magazines. Have children cut out pictures of goods and classify them into the following categories: People, Homes, Schools, Playgrounds. Then glue the pictures on a classroom chart under the correct categories.

4. Drama Center: Children make stick puppets of the characters in the book, Ask Mr. Bear, and act out the story.

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- "Economics for Primaries," filmstrip
- "Econ and Me," video
- It's a Rainbow World by Sandra Thomas
- Life Games by Saul Barr
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey

Grade Level: **First**

Concept: **Services**

Teacher Terms

Activities or actions that can satisfy people's wants.

Student Terms

Something that one person does for someone else that satisfies a want.

Objectives

The first grade student will be able: **to define the term "services" and give examples of who produces the "services" they receive in their community.**

Resource Materials

- Resource person (school nurse)
- Book, such as Mop Top by Don Freeman
- Yellow pages from current or old phone books
- Transparencies of yellow pages
- Paper, pencils, crayons, scissors
- Truck ditto page (Attachment A)
- Envelopes
- "Service" Cards (Drama Center)
- "Activity" Cards (Math Center)

Focus

Have someone from the school or community, such as the school nurse, who provides a service, talk to the class about the services he/she provides. In a follow-up discussion, recall what services were talked about. List them on the chalkboard. Teacher states: "A service is something that one person does for someone else." Ask the question: "What would happen if we didn't have the school nurse to provide services?"

Modeled and Guided Practice

1. Read a book, such as Mop Top by Don Freeman, that illustrates the concept of services. Talk about services offered in the story for Moppy and list them on the board. Have children tell you what services they use in their community. List those on the chalkboard and talk about what uses they make of those services.

2. Make transparencies of one or more yellow pages from the local phone book. Talk about the names of the companies and help the children discover what services are provided. Ask if their families might use any of these services. If not, ask who would use the service.

Independent Practice

1. Divide the class into five groups. Give each group a yellow page from an old phone book or duplicate pages from the present phone book to distribute. Have each group list on a sheet of paper all the services they can find. Share findings with the class.

2. Talk about the fact that the children can provide services to their families (e.g., take out the trash). Give each child a piece of paper. Have them fold it into four boxes. In each box have them draw a service that they can do in their homes for their families.

3. Ask children to bring clothing from home that depicts a service, such as apron, gardening gloves, etc. While the child is wearing the outfit, ask class what service he/she would provide to the community. Child may have to give clues to help class figure out the service.

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Evaluations

1. From list of "goods" and "services" on the chalkboard, the student will copy the list and label "goods" with a "G" and "services" with an "S."

2. The student will draw pictures of four people that provide services received in the community.

Extension

1. Writing Center: Provide copies of the attachment (trucks). Children will list the services that are provided by the people who work for Bob's Bakery.

2. Drama Center: Have children act out services using clues from "Service" cards that the teacher has provided. Samples of "Service" cards might be:

School Custodian
erase the chalkboard
empty the wastebasket
mop the floors

Plumber
fix a leaky faucet
unstop a drain
screw pipe together

The rest of the group in the center will try to guess who is providing the service.

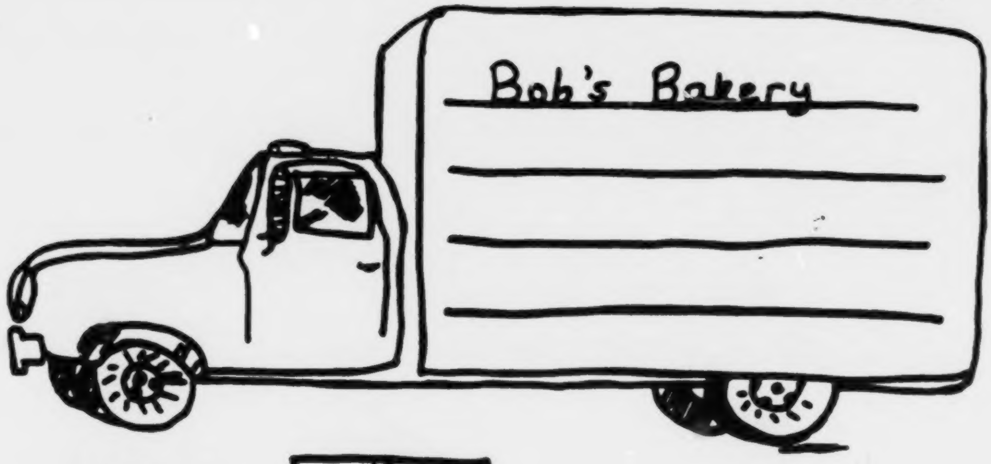
3. Math Center: Provide activity cards with word problems dealing with services for children to work in the Math Center. For example:

> Ted wants to buy a cake for his Mother's birthday. Maria's Bakery charges $7 to bake a cake and Betty's Bakery charges $5 to bake a cake. Who charges more? How much more? Which bakery would Ted choose and why?
>
> Ted also wants to buy his mother some flowers. He wants to buy red and yellow roses. At Juan's Flower Shop, red roses cost $6 and yellow roses cost $4. How much money does Ted need to buy the roses?

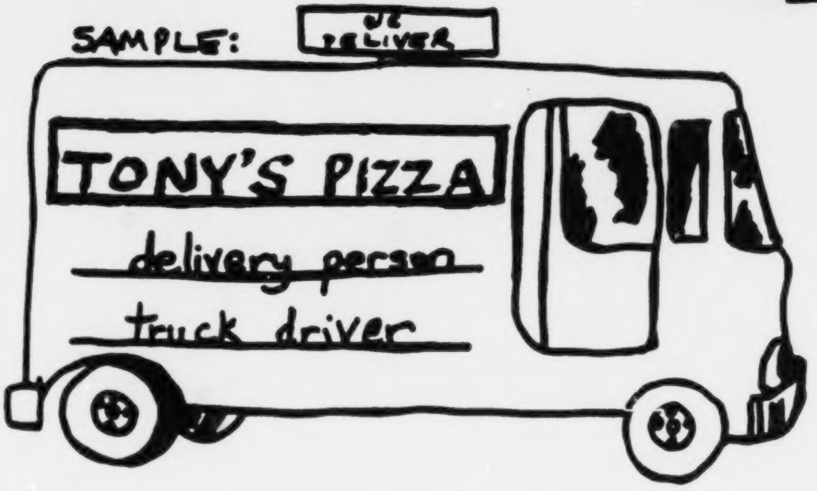
Additional Resource Materials

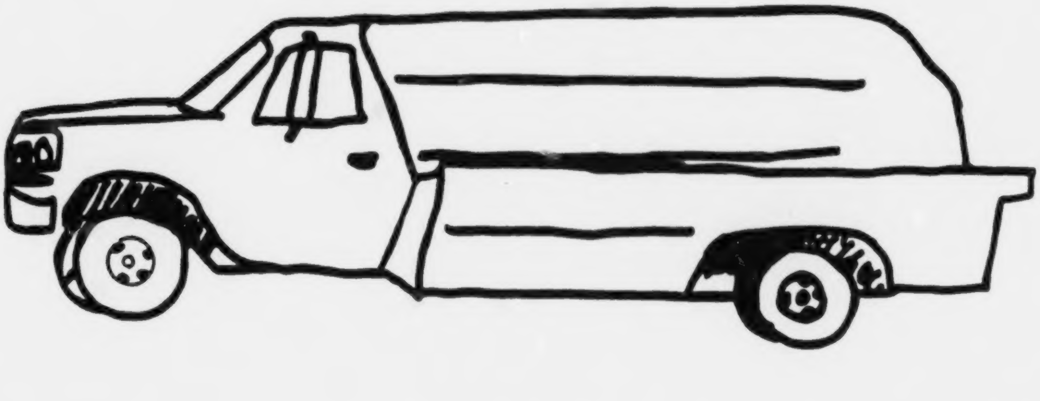
- "Winnie the Pooh and the Value of Things," filmstrip/video
- "Economics for Primaries," filmstrip
- "Econ and Me," video
- It's a Rainbow World by Sandra Thomas
- Life Games by Saul Barr
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey

Attachment


Bob's Bakery

SAMPLE:


WE DELIVER
TONY'S PIZZA
delivery person
truck driver



Grade Level: **First**

Concept: **Scarcity**

Teacher Terms

A condition faced by everyone of not being able to have all the goods and services the person wants.

Student Terms

No one can have everything he/she wants.

Objectives

The first grade student will be able:

to state, in his own words, the meaning of "scarcity."

Resource Materials

- Supplies for the art project
- Old magazines
- Scissors
- Glue
- Paper
- Crayons
- Chart paper
- The Magic Fish by Fred A. Littledale (Attachment) or The Three Wishes.

Focus

Assemble a large group of items that teacher may have at home and/or in the classroom, such as food, toys, games, books, crayons, pencils. Hold each item up asking the children to raise their hands if they want it. On the chalkboard list each item and the names of children who want it. Ask if there are enough of each thing for all who want it? Conclude by leading children to realize that they can't have everything they want. Introduce the term "scarcity" and tell children that it means "you can't have everything you want."

Modeled and Guided Practice

1. Give the children each a magazine and tell them to cut out five things that they want. Make a class pictograph categorizing the different kinds of "wants," for example: food, clothing, shelter, and luxuries. Ask children if they did this same thing again the next day, would they want different things? Lead the children to realize that wants are virtually limitless. Talk about why we can't have everything we want. Review the vocabulary word "scarcity" and its meaning.

2. Write the following poem about scarcity on chart papers and teach it to the children. Students may memorize the poem.

SCARCITY

We want food and clothes and games,
Can we have them? Please, please, please?
We want all the things we name.
NO, and that's what "Scarcity" means!

Independent Practice

1. Read a book, such as The Three Wishes or The Magic Fish. The moral is "you can't have everything you want." Discuss the story. Ask the children to think of three wishes they would want granted? Pass out fish patterns (Attachment) and construction paper. Have children make three fish and write or draw a wish on each fish. Display the fish in the classroom.

2. Divide the class into small groups. Ask each group to create a greeting card to display in the classroom. Each group will have only a limited number and kind of supplies. Teacher will tell each group which supplies they will have and they must solve the problem of what to do about inadequate supplies.

Evaluation

1. The student will recite the poem "Scarcity," learned in Modeled and Guided Practice.
2. The student will tell what "scarcity" means in his own words.
3. The student will respond to activities.
4. The student will discuss activities.

Extension

1. Drama Center: Role-play the story of The Magic Fish or The Three Wishes.

2. Art Center: Each student will draw a picture of someone in the story, The Magic Fish or The Three Wishes, who was never satisfied. Include in the picture what the character wanted and what he/she ended up getting.

3. Language Arts Center: Write the word "SCARCITY" and draw a picture of something which begins with each letter of the word. For example:
S-snake, C-cat, A-apple, R-rug, C-cereal, I-igloo T-tiger, Y-yo-yo.
Staple pictures into a book.

4. Math/Science Center: Cut out pictures from a magazine of things the children want. Glue them on a categorized graph similar to the pictograph in Modeled and Guided Practice.

Additional Resource Materials

- "Winnie the Pooh & the Value of Things," filmstrip/video
- "Pennywise," video
- "Econ and Me," video
- It's a Rainbow World by Sandra Thomas
- Under the Blue Umbrella by Sandra Gunter
- Amercianomics by Bru Harvey
- Economy Size by Carol Katzman and Joyce King

SCARCITY
Verse 1 of Scarcity Tango
Economics Revue, Vol. 1, by Howard R. Yeargan
Pi Productions, San Marcos, Texas, 1990.

Scarcity, (clap, clap)
There's never
Enough for me. (clap, clap)
I'm learning
That Nothing's Free (clap, clap)
From Scarcity.

Grade Level: **First**

Concept: **Opportunity Cost and Trade-Offs (Economic Choices)**

Teacher Terms

Since we can't have everything we want, we must make choices. When we pick one thing we give up its alternative.

Student Terms

When you pick one thing, you give up something else.

Objectives

The first grade student will be able:	**recognize the necessity of making economic choices among alternatives.**

Resource Materials

- The story "When Tomorrow Comes" (Attachment)
- A book, such as Alexander, Who Used to be Rich Last Sunday by Judith Viorst
- Lima beans
- Containers for beans, large container
- 3 x 5 cards
- Chart paper, magazines, paper
- Items for choices: games, food, felt pens, crayons, colored pencils, chalk, stickers
- ABC book, such as On Market Street by Arnold Lobel
- Choice cards
- Play money

Focus

1. Ask: "When your mother goes to the grocery store, why doesn't she buy everything she sees?" Have a class discussion on the reasons that she doesn't and list them on the chalkboard. Include these reasons: a) She doesn't need or want all the items; b) she doesn't have enough money to buy everything she sees; c) some things are the same; d) some things cost less than others. Ask: "How does she decide what to buy?" Talk about ways she could decide what to buy and tell students that this is called "making choices." When there are several things to choose from, she will choose what is most important to her family's needs and what she can afford. When she chooses one thing, she gives up other things.

2. Read the story called "When Tomorrow Comes" to the class (Attachment). Talk about what Danny's choices were all week. Help the class discover that he gave up one thing when he chose another and that one thing was more important to him than the other. Ask: "Was Danny happy with his final choice? Who forced him to make that choice? What did he finally have to give up?" Then have the student imagine how Danny's mother looked and sounded when she said, "You must stay here and clean up you room." Have children take turns saying the lines the way they think the mother said them.

Modeled and Guided Practice

1. Read a book, such as Alexander, Who Used to Be Rich Last Sunday by Judith Viorst, that illustrates the concept of making choices. Talk about how much money Alexander had when he thought he was rich ($1). Talk about the choices that Alexander had to make in using his money to buy things. List the choices that he made on the chalkboard. Give the class a chart of 100 pennies. Reread the story. As you reread, have the children color in the amount of pennies

that Alexander used as he made each choice. Talk about how much money Alexander had left at the end of the story. Ask: "Were Alexander's choices wise? Why or why not? Would you have made the same choices? What choices would you have made?"

2. Teacher tells the class: "Today we are going to have a special 'making choices' time." This will be a 30-minute period that you divide into 15-minute segments. Divide the class into five groups with four or five children in each group. Tell the class that each group is a family and they have to assume the role of family members. There must be a "head" of the family to make final decisions. The family will decide how to spend money during the "making choices" time. Lima beans will be used for money and every choice must be paid for using lima beans. Every family will have 20 lima beans to spend. The family must decide together how to spend the lima beans. Remember: the entire family must do whatever activities are chosen. Display the "Making Choices" chart. (See illustration.) Discuss the choices. Give some possible suggestions as to how the families could spend their lima beans. Some of the special things to point out are: 1) Eating lunch with the teacher and having an extra recess are like "savings" choices. 2) Sitting by your favorite friend is an all day long "choice." 3) Lima beans not "spent" may be exchanged with the teacher for stickers. 4) Families who choose only the "savings" items will not be able to participate during the "Making Choices" time.

Families meet together for 15 minutes. First each family gives itself a name. Then each family decides how it will spend its lima beans. The "head" of the family writes the family's choices on a piece of paper and gives it to the teacher.

Teacher will provide payment containers at each center. Have the "Making Choices" time. (15 minutes)

Making Choices chart:

MAKING CHOICES

FOOD CENTER = 5 Lima beans

GAMES CENTER = 4 Lima beans

FREE DRAWING CENTER = 3 Lima beans
(with felt pens, colors, colored pencils, chalk)

SIT BY YOUR FAVORITE FRIEND ALL DAY = 6 Lima beans

EAT LUNCH WITH THE TEACHER = 10 Lima beans

HAVE AN EXTRA RECESS = 10 Lima beans

Have a follow-up discussion the next day, evaluating the "making choices" activity. Ask questions such as: "Was it easy to make 'family' choices? Why or why not? If we did this activity again, would you choose the same things? Why or why not? Can you think of ways we could change this activity?"

3. Have the children help the teacher fill in the words of a song about "choice," using the tune of "Mary Had A Little Lamb."

Should I choose the ______________________________ one
______________ one, ______________ one?

Should I choose the ___________________________ one?
How do I decide?

Examples of words that could be chosen: biggest, prettiest, cheapest, nicest, smallest, shiniest, cutest, longest, shortest, tallest.

Sing the verses of the song together. Have individual children volunteer to sing verse alone.

Independent Practice

1. Provide pictures from magazines as grocery items. Give each item a price. Tell the children that they are responsible for planning and buying food for their family's evening meal. The meal should be nutritionally balanced. Tell the students how much money they have to spend on their purchases. (Make a list of their choices and how much each item costs; then add the total amount of money they spent on the meal. This activity can also be used as an evaluation.)

2. Read an ABC book, such as On Market Street by Arnold Lobel, which illustrates goods that people might buy in alphabetical order. Have each child draw pictures of things he/she would like to buy that begin with each letter in her first name. For example: Each picture should show the child's face, but the body should be made up of the items.

A - apples
M - macaroni
Y - yo-yo's

Evaluation

1. The student will choose between two choices (choice cards) and tell why he/she made that choice. For example:

Would you rather buy a candy bar or an apple?
Would you rather buy a board game or rent a video game?
Would you rather buy plain jeans or designer jeans?

2. The student will choose among several alternatives such as going to a movie, going to an amusement park, buying a new toy, and will write on a piece of paper his/her choice and explain why he/she made that choice.

Extension

1. Drama Center: Children act out the story, "Danny's Tomorrow."

2. Creative Writing/Reading Center: Provide a short story about a boy and a short story about a girl who have to make choices (See examples). The student will choose a story to read and finish the following sentence:

________________ chose ______________because ______________
____.

Story examples:

Maria

Maria had all the money she had saved in her purse. She went into the store. She wanted to buy a gold ring. Before she could buy the ring, she saw a red purse. "Just what I always wanted," she thought. She stopped to look at it. Then Maria saw a pair of tennis shoes just like her friend Sally's. "Wow, one up. I wonder if I should buy these?"

Matt

Matt had been saving his money to buy a pair of cowboy boots. He walked into the store and was about to buy the boots when he saw a watch. "Wow, I've always wanted one of these!" he thought. Next to the watch, on the counter, was a compass. "Just what I need for my camping trip with the Cub Scouts! I wonder if I should buy it?"

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- "Econ & Me," video
- It's a Rainbow World by Sandra Thomas
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey

When Tomorrow Comes

Danny's room was a mess. He had things scattered everywhere when his mother came to the door. "Danny," she said, " Get to work and put your things where they belong."

Danny looked up. "What things, Mom?" he asked.

"You know what things," said his mother. "You have books by the window. You have clothes all over the chair. Your baseball glove is on the floor. And put away all of those paints."

"But Mom," said Danny, "I don't have time. I have a lot of school work to do. I can clean up my room tomorrow."

The next day after school Danny decided to clean up his room. He put his baseball glove in the closet. He was going to pick up the books but one of them looked so interesting he decided to read it first. First thing he knew the afternoon was gone. Danny thought, "I'll clean up my room tomorrow."

The next day Danny came in from school and decided to clean up his room. He put the book he had read yesterday on the shelf. Then he saw his hamster needed to be fed. "I'll get you some food, Ham," he said. Danny watched Ham eat his food and then he played with his pet the rest of the afternoon.

Suddenly, Danny looked up to see his mother. She didn't look very happy. "Danny, I told you yesterday to clean up your room."

"But Mom, Ham was hungry and I had to feed him. I'll clean it up tomorrow."

There was no school the next day. When Danny's mother came to his room Danny said, " I cannot clean up my room today. I have to go skating with my friends. It is all set."

"No Danny, that will not do", said his mother, "You must stay here and clean up your room."

"Oh no, Mom," said Danny, "I promise I will clean it up tomorrow."

"No, you must do it now," said his mother.

Danny was not happy, but he got to work.

Tomorrow had come for Danny.

Grade Level: **First**

Concept: **Price**

Teacher Terms	Student Terms
The amount of money people pay when they buy a unit of a good or service.	**How much money it costs to buy one unit of a good or service.**

Objectives

The first grade student will be able: **to explain what price is and how prices are used.**

Resource Materials

- Book, such as Something Special for Me by Vera B. Williams
- Paper, pencils, crayons, glue, scissors
- Star patterns (Attachment)
- Catalogues, newspaper ads
- Magazines, chart paper, play money
- 3 x 5 cards, items for classroom store
- Speakers who have service-related jobs in the community

Focus

1. Tell the class: "Pretend it's your birthday and you have just received $10 from your grandmother to buy anything that you want. What would you buy?" List answers on the chalkboard. Then ask, "How do you know if you have enough money to buy these things?" Lead the class to conclude that you have to know how much each item costs. State: "This is called the 'price' of the item."

2. To the tune of "Farmer in the Dell," sing about something that each child wants and what he/she has to know in order to buy it. For example:

   (Jose) wants a boat,
   (Jose) wants a boat.
   Hi-ho-the-merry-o
   (Jose) wants a boat.

   He has to know the (price).
   He has to know the (price).
   Hi-ho-the-merry-o,
   He has to know the (price).

   (Last verse of song)
   If the price is right,
   If the price is right,
   Hi-ho-the-merry-o,
   You can shop to your heart's delight!

3. Give students a definition of "price." Discuss why you need to know the "price" of something you want to buy.

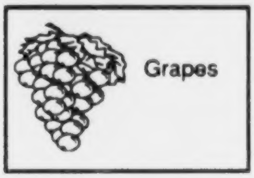
Modeled and Guided Practice

1. Read a book, such as Something Special for Me by Vera B. Williams that illustrates the concept of "price." List some of the things that Rosa wanted to buy with her money. Remind children that "prices" tell us what amount of money is needed to purchase a product. Reread the page where Rosa wishes on a star. Pass out star patterns (Attachment). Using catalogues or newspaper ads, have children cut out something that they would want for their birthday presents. Glue the picture on the front of the star. Cut the star out and write the name of the item on the back of the star. Have each student tell why he/she chose the object. Display the stars in the classroom with the title, "When You Wish Upon a Star." Students may put the "price" of their wish on the back of the star.

2. Play the game, "The Price Is Right," as a class activity. Teacher provides pictures of items on 3 x 5 cards with the prices written under the pictures. The object of the game is to find a matching price card. For every picture card there should be a price card which names different amounts of coins that are equal in value to the prices under the pictures. Show several examples of picture cards and price cards and how you would match them (see example).

To play the game, divide the class into four groups (teams). Give each team five pictures and five price cards. The team that first matches all the cards correctly wins the game.

Example of a picture card and corresponding price cards that could match:



2 nickels plus
2 quarters

per pound

3. Teach the following poem about price to the class. Have the class recite it chorally.

PRICE

It would be nice if there were no price
But everything nice has a price
A boat for Tommy, a doll for Mai (Mi),
Anything you want to buy.
Take my advice and look at least twice,
Since everything nice has a price.

4. Have several representatives of service-related jobs from the community come to the class and talk about what prices they charge for their services and how they determine the prices. Examples: barber, repairman, doctor, dentist, dance teacher, karate instructor, day care director, babysitter.

Independent Practice

1. Give a list of 10 items to the class. They might be food items, clothing, toys, etc. Choose items that could be found in one store. As a homework assignment, each child will find the prices of at least five items on the list, write the names of the items, the prices and the name of the store on a piece of paper and return it to school in two or three days. Send the list of items home with each child with a cover letter to parents explaining the activity and the economic concept being taught. As the children return their list of items, record the results on a chart under the headings: Names of Items and Prices. Have a follow-up discussion comparing the prices.

2. Have students write individual stories about what they would like to produce and sell. Have them include in their stories what service they would offer, what price they would charge for their service, and why. Then have them draw pictures of themselves as the characters in their stories. Have children read their stories to the class.

3. List previously learned economic terms on the chalkboard. Have each student put them in alphabetical order.

scarcity
wants
prices
jobs
goods
needs
money
exchange
services
trade

Evaluation

1. Individually or in groups, the students will recite the poem, "Price," which they learned earlier in this lesson.

2. From a Word Bank on the chalkboard with the following words in it: money, prices, service, good, costs, students complete the statements below with words from the Word Bank:

   1) Prices tell you how much________________________it costs to buy a good or service.
   2) Prices tell you how much money it costs to buy a_________________or service.
   3) ______________________tell you how much money it costs to buy a good or service.
   4) Prices tell you how much money it costs to buy a good or a_________________.

3. Students will discuss activities.

4. Students will react to activities.

Extension

1. Language Arts Center: Using the following words, children will write one or more words that rhyme with each one.
   money dime dollar penny nickel quarter price

2. Math Center: Provide activity cards with word problems dealing with prices. For example:

   Keisha wanted to buy some apples. Each apple cost 5¢. How much money does Keisha need to buy three apples?

   Carlos has $5 to spend. He buys a book that costs $3. How much money does Carlos have left?

3. Game Center: Put "The Price is Right" game described earlier in the Modeled and Guided Practice section of this lesson in this center for children to use independently or in a small group.

4. Class Store: Have a class store where children can buy items. Give students a specified amount of play money so they are required to add and subtract whole numbers.

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- Its's a Rainbow World by Sandra Thomas
- Under the Blue Umbrella by Sandra Gunter

Grade Level: **First**

Concept: **Production**

Teacher Terms

The use of economic resources to make goods or provide services that people want and that have value.

Student Terms

Putting resources together to make goods or provide services.

Objectives

The first grade student will be able: **to identify what family members and school personnel produce.**

Resource Materials

- Resource people (school personnel)
- Chart paper
- A book, such as The Berenstain Bears or Mama's New Job by Stan and Jan Berenstain
- Butcher paper, note paper, pencils, crayons, glue, scissors
- Materials for Apple Pizzas: English muffins (one per two students), apples (one per four students), knives, cinnamon sugar, napkins, cheese (one slice per student), toaster oven (or access to cafeteria ovens)
- Apple Pizza recipe (included)
- Quilt pattern (Attachment)

Focus

1. Invite school personnel, one daily, to come and talk to the students about who he/she is and what he produces. Make sure the visitors identify their job titles. Include principal, assistant principal, secretary, school nurse, librarian, custodian, cafeteria worker, teacher (yourself). Have each one identify the "resources" (land or natural resources; labor-mental and physical human effort; capital or tools) that they must use to produce their products or services.

2. Ask the children if they know what their parents' jobs are, i.e., what they produce. Ask them what resources their parents or guardians use in their work. Talk about why their parents work.

Modeled and Guided Practice

1. After the first guest speaker from the school personnel has talked to the class, begin a chart of the job title, what that person produces and the resources he uses. After each talk, add information to the chart. Also, after the first talk, begin a rhyme by substituting the words from "Twinkle, Twinkle Little Star" for words that name each worker and describe the job he/she does. Children will repeat the rhyme with the teacher.

Example:

Principal, principal, I see you,
and I wonder what you do.

Watch the children at work and play.
Handle problems that come up every day.
Be the boss over all the school workers.
Be your friend.
Talk to parents.
Etc.

Principal, principal I see you,
Now I know just what you do.

2. List on the chalkboard what jobs the children's parents and/or other family members (include the children) have at home. List them under the following categories: Father, Mother, Student, Brother(s), Sister(s), Others.

   Make a class graph of the jobs and the number of students who have those jobs. Have a follow-up discussion about the differences between parents' jobs at home and at work.

3. Read a book, such as The Berenstain Bears or Mama's New Job by Stan and Jan Berenstain, which illustrates the concept of a mother working. Have the students identify the jobs that Mama Bear did at home before she started working. List them on the chalkboard. Make another list of who did those same jobs after she went to work. Then talk about Mama's new job (she made and sold quilts). Talk about what a quilt is, emphasizing the beginning sound of the word, the 'qu' sound. Reread and show the class the pages that have examples of Mama's quilts. Make a class quilt by having each child, design and decorate a previously drawn square on butcher paper. (Attachment)

Independent Practice

1. Send home a letter asking the parents or guardian to write down what they produce (do for a living) in terms their children will understand. Ask them to talk about their jobs with their children, including what resources they use in their work. Include in the letter the statement: "The children will have an assigned day to come to school dressed the way one of their parents or guardian would dress to go to work." On that day they will either describe the parent's job or act it out. Make a chart of parents' jobs similar to the one made for school personnel. At the end of the activity, graph the parents' jobs comparing those that are the same.

2. Tell the class they are going to make something special that tastes good and is good for them, called "Apple Pizzas." Tell them that each child will have a special job to do in helping to make the pizzas. Explain the directions for making the apple pizzas and list the jobs on the chalkboard or display a chart that has the jobs listed on it (Refer to the job descriptions below). Have the materials set up in three different areas in the room for children to work at. Divide the class into three groups with seven or eight children in each group and assign jobs to group members.

APPLE PIZZAS

(Teacher should wash and core apples ahead of time).

Job #1. Take muffin out of packages and cut into halves.
Job #2. Cut apples into eight wedges.
Job #3. Put two apple wedges on each muffin half.
Job #4. Sprinkle apples with cinnamon sugar.
Job #5. Open cheese package and put one slice on top of the apple wedges.
Job #6. Place muffin on tray in a toaster oven. (Broil one to two minutes, until cheese is melted and lightly browned.)
Job #7. Serve to classmates with napkin.

Make the pizzas and enjoy them. Have a follow-up discussion about the activity. Ask the following questions: "Did you enjoy your job? Why or why not? If you did not enjoy your job, which job would you rather have had? Why? What if everyone wanted to do the same job? If they had, would we have been able to make the pizzas?"

Explain to the class that because each person had a special job to do, we were able to make the pizzas. Each job was important. Many businesses have people doing special jobs to make something. Ask: "Can you think of any businesses in our community that would make things in this way?"

3. The children will help the teacher fill in the words of a song about school workers. Use the tune "Old McDonald Had a Farm." For example:

(Hill Elementary) has some workers.
Ee li, Ee li, Oo.
The workers have their jobs to do ....
Ee li, Ee li, Oo.

With a worker here and a worker there,
Here a worker, there a worker, everywhere
are workers.

(Hill Elementary) has some workers.
Ee li, Ee li, Oo.

Say the names of the workers and their jobs in your school.
Miss Rodriquez is our principal.
Mr. Smith is our secretary, etc.

Sing the chorus again but use the following substitution
for the second part.

With a happy face here, and a happy face there,
He is happy, she is happy, everyone is
happy, happy.

4. Give each child a job title and have him/her think of one thing he/she would do as that person. Write the answers on chart paper in story form. For example: If John was an (astronaut) he would (fly a spaceship). If Mary was a (teacher), she would____________. Read the story aloud with the children after it is completed. Let each child try to read the sentence about him/herself.

Evaluation

1. After the teacher names either school personnel or their jobs, the student will name the job or the person who does that job. For example:

   "Mr. Smith is our ______________________." or " ______________________ is our principal."
   (job) (Person's name)

2. The student will draw a picture of either one or both of their parents or guardians at work and tell the teacher what job(s) their parents are doing in the picture.

Extension

1. Field trip: Take a field trip to a business, such as a bakery or a pizza parlor, to see what is produced and how the workers produce it.

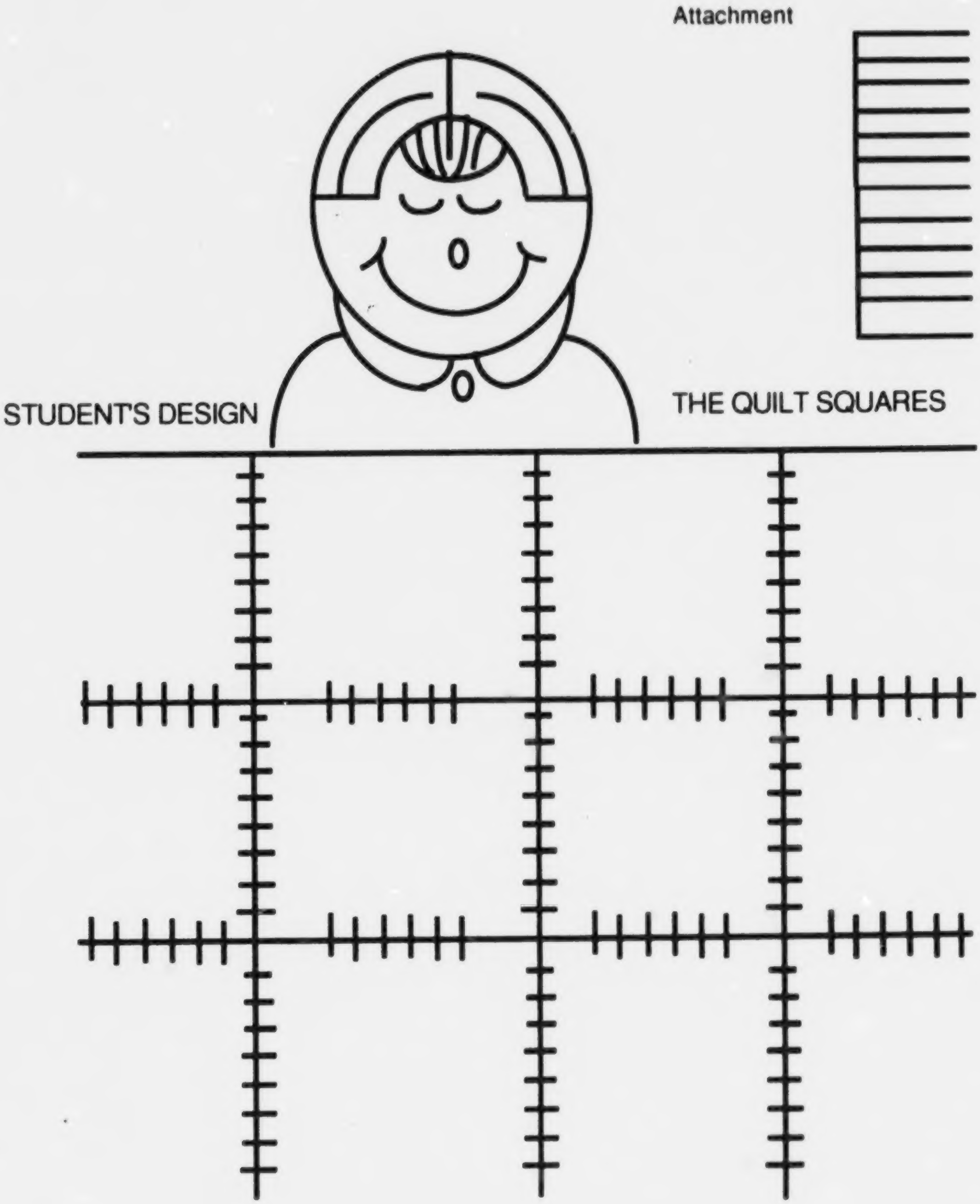
2. Art Center: Have children draw pictures of themselves in jobs that they would like to have.

3. Magazine Center: Have children add to a classroom collage by cutting pictures of people working out of magazines.

4. Music Center: Practice singing the song that you made up about workers at your school.

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- "The American Iron and Steel Institute Series," filmstrip
- "Economics for Primaries," filmstrip
- "A Loaf of Bread," filmstrip
- "Oak Lane Tales," video
- Sneeches on the Beaches by Dr. Seuss
- It's A Rainbow World by Sandra Thomas
- Life Games by Saul Barr
- Under the Blue Umbrella by Sandra K. Gunter
- Americanomics by Bru Harvey


Attachment
STUDENT'S DESIGN
THE QUILT SQUARES

Grade Level: **First**

Concept: **Money**

Teacher Terms

Medium of exchange used to buy goods and services.

Student Terms

What we use to buy things.

Objectives

The first grade student will be able: **to define the term "money" and give examples of how money is used to buy things.**

Resource Materials

- Newspapers, chart paper
- Paper, pencils, crayons, glue, scissor
- Book, such as The Bernstain Bears' Trouble with Money
- Magazines
- Peanut butter playdough (Attachment)
- Items for class store

Focus

1. Ask the class what the word "exchange" means. Ask for examples of exchanges between two people. Ask: "Can you go to the store and get something you want by exchanging it for a good that you have? For example: John wants a new bat. Can he take his old bat to the store and exchange it for a new bat? Why or why not? Can you think of something John could exchange for the new bat?" Lead the class to the conclusion that John must use money to pay for the bat. State: "Money is what we use to buy things." Ask for examples of goods and services that the children or their parents have used money to buy. List the examples on the board under the headings: "Goods Bought" and "Amount of Money Needed."

2. Divide the class into five groups. Provide newspaper advertisements to each group (Sunday paper may have the most ads). Each group will find at least five goods from the ads and list them on a piece of paper using the same headings that were used on the chalkboard, then share their findings with the class.

Modeled and Guided Practice

1. Ask children, "How can children get money?" (Allowances, birthday gifts, presents from relatives, payment for doing chores.) Read a book, such as The Bernstain Bears' Trouble With Money by Stan and Jan Bernstain, which illustrates the concepts of earning, saving and using money. Talk about the problems that Sister Bear and Brother Bear had with money. (They spent it all every time they had any.) Talk about Papa Bear's solution to their money problems. (Brother and Sister Bear must earn their money.) Talk about what Sister Bear and Brother Bear discovered they could do with their money besides spend it. (Save it, give it to Papa Bear to use.) Talk about what happened at the end of the story and conclude with the moral that "you should use money sensibly" (to save, to buy things that you need).

2. Make a class book called, "If I Had a Dollar." Each child contributes one page to the book by completing the statement, "If I had a dollar, I would buy ________," and by drawing a picture to go with the sentence.

3. Make a class graph on chart paper showing the different ways the children get money. Use the following categories: Parents, Allowance, Gifts, Jobs or Chores, Other (for those who don't get any money).

Make another class graph on chart paper showing how children spend money. Use the following categories: Clothes, Toys, Food, Games, Movies, Other. Process and display both graphs in the classroom.

Independent Practice

1. Review the figures of speech about money which Papa Bear used in the book, The Bernstain Bears' Trouble With Money. Write them on the board:
   - a. "You must think I'm made of money."
   - b. "You must think money grows on trees."
   - c. "Save your money for a rainy day."
   - d. "Money can be your nest egg."

   Have each child make a booklet by folding a piece of paper in half, copying a figure of speech on each page and drawing a picture to illustrate each one.

2. Tell the children to pretend that they each have $10 and that they must use it in three different ways. List the following ways to use the money on the board: a) Goods, b) Services, and c) Savings. Under the headings "Goods" and "Services" list several choices and prices for each item. For example:

Goods	Services
pencils ($1)	movie ($3)
gum ($1)	trip to the zoo ($5)
candy ($1)	flight on airplane ($5)
scissors ($1)	haircut ($5)
ice cream ($2)	video games play ($3)
Barbie Doll ($6)	

Teacher will direct the class step by step.

Step 1: Each student will copy the headings, "Goods" and "Services" on a piece of paper.

Step 2: Each student decides on his/her choice of items and writes the item and the amount it costs under each heading.

Step 3: Add the money spent in each column.

Step 4: Add the total money spent on all choices.

Step 5: Subtract the total from $10 to figure out how much they have left to save.

Reminder: Children must have some money left to save.

3. Have each student copy the following question from the chalkboard: "What would we do if money disappeared?" Have each student write a story that will answer the question.

Evaluation

1. On a piece of paper students will write the correct answers, "Yes" or "No," to the following questions given orally by the teacher:
   (y) 1. Money is a good.
   (n) 2. Money is not used to buy things.
   (n) 3. Money is a service.
   (y) 4. Money can be used to buy services.
   (y) 5. Money can be used to buy goods.

2. The students will draw pictures of five goods that they can buy with $1.

Extension

1. Art Center: Using pictures from magazines, children make a collage on construction paper, of items they would like to have if they had the money to buy them.

2. Math Center: As an extension activity relating to the book The Bernstain Bears' Trouble with Money, have children make "Peanut Butter Playdough" (Attachment). Students will use math measurements in the recipe to make edible bears.

3. Class Store: Have a class store where children can buy items. Give students a specified amount of play money so they have to add and subtract whole numbers.

4. Language Arts Center: Children make a money-shaped book. Children think of words that rhyme with MONEY and write one on each page of their book.
   Examples: Bunny, Honey, Runny, Sunny, Funny etc.
   Optional: After thinking of rhyming words, use them to make rhyming sentences. For example:
   The funny bunny needed money for some honey.

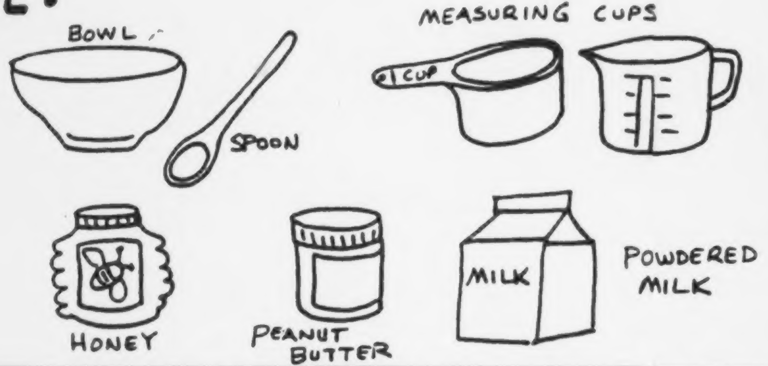
Additional Resource Materials

- "Once Upon a Dime," filmstrip
- "Economics for Primaries," filmstrip
- It's a Rainbow World by Sandra Thomas
- Lifegames by Saul Barr
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey
- Economy Size by Carol Kakman and Joyce King

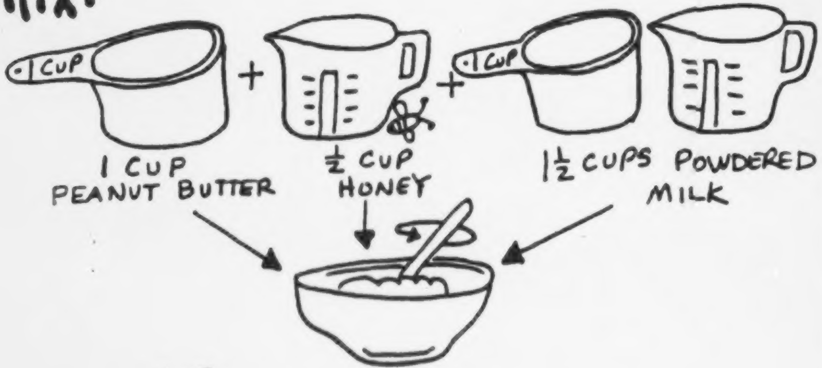
Attachment

PEANUT BUTTER PLAYDOUGH

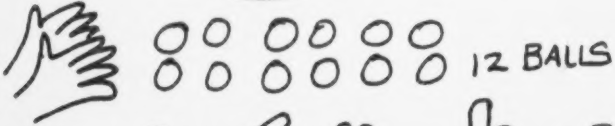
USE:


BOWL
SPOON
MEASURING CUPS
1 CUP
MILK
HONEY
PEANUT BUTTER
POWDERED MILK

MIX:


CUP
+
+
CUP
1 CUP PEANUT BUTTER
½ CUP HONEY
1½ CUPS POWDERED MILK

ROLL:



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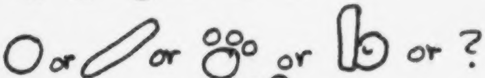
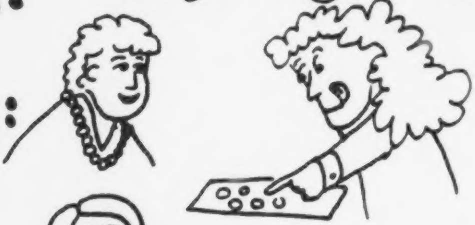


SHOW:



EAT:

Grade Level: **First** Concept: **Exchange**

Teacher Terms

When people trade one thing for another or for money. People trade when they expect to benefit from the "exchange."

Student Terms

Trading goods and services to satisfy more wants.

Objectives

The first grade student will be able:	**to demonstrate an understanding of the term "exchange" and be able to explain how people get what they want through the exchange of goods and services.**

Resource Materials

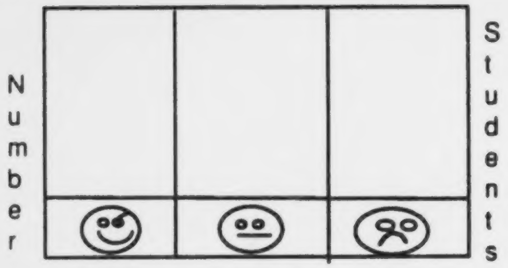
- Teacher items for introduction of "white elephant"
- Paper, pencils, crayons, knives, plastic spoons
- Chart paper
- Book, such as A Bargain for Francis by Russel Hoban
- "Exchange" cards, magazines
- Word problem cards for Math Center

Focus

1. Show the children a few usable items that you do not want anymore (pencils, erasers, books). Introduce the term "white elephant" - something that you don't want or use anymore. Tell the class what a white elephant exchange is and that they can have one. Explain that "exchange" means to trade goods for keeps. Send home permission slips for parents to sign for the item to be exchanged. List some suggested items on the chalkboard such as: books, toys, games, models, dolls. Set up a time for viewing all items the day before the exchange. On the day of the exchange, give students a 10-15 minute time to exchange. (Before a recess might be a good time to do this.) Follow-up after the exchange by talking about what they did during the exchange. (They traded goods with other children for other goods.) Reinforce the meaning of exchange with: "Exchange means people trading goods for other goods."

   Have the students write the title "My Exchange" on a piece of paper. Then fold the paper in half and write the titles "Before" on one half and "After" on the other half. (See illustration below.) Students will draw a picture of the exchange to demonstrate understanding of the term "exchange." Talk about how students feel about the exchange and graph the results either on chart paper or on the board.

<table>
<tr><th colspan="2">My Exchange</th></tr>
<tr><th>Before</th><th>After</th></tr>
<tr><td></td><td></td></tr>
</table>



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2. Review the term "service" (something that one person does for someone else). Create a situation in which the children are pretending to exchange services with other family members. For example:

> *It's your turn to do the dishes but your friend has invited you to go to see a movie. How can you talk another family member into doing the dishes for you? (You may not pay him/her.)*

Through discussion, the children should conclude that they can provide a service for the other family member by exchanging with him/her, "I'll do the dishes for you tomorrow night."

Teacher states, "Trading services with people for other services is also called exchange, therefore trading goods and services is called "exchange."

Modeled and Guided Practice

1. Read a book, such as A Bargain for Francis by Russell Hoban, which illustrates the concept of exchange. Talk about what was exchanged in the story. Review the rhymes that Francis makes up in the story. Tell the class that they are going to help Francis make up a new rhyme about exchange. For example:

Trading things is fun to do
If your friend does not trick you.
Trading things is lots of fun.
If you're happy when it's done.

(Children learn the rhyme and recite it in groups.)

2. Talk about what a farmer does and what goods a farmer has to offer other businesses. List on the board the activities and goods of farmers (see below). Divide the class into four groups and assign each group a business (grocery store, bakery, restaurant, school cafeteria). Let each group make up its own name for the business or teacher can suggest names of real businesses in the community. Each group will list the goods that the farmer could provide for the business and determine what goods or services the business can give the farmer in exchange. Have each group share ideas with the rest of the class. Goods a farmer has to offer include: crops (vegetables, fruit, grains, corn, rice, wheat), eggs, meat (poultry, beef, pork, lamb), milk.

3. Teacher provides exchange cards to play "The Exchange Game." Each card will have a picture of an item to be traded on it. (Pictures could be from magazines and several cards would depict the same items, e.g., cars, bikes, etc.) Children sit in a circle on the floor, and the teacher passes out one card face down to each child. One by one children show their exchange cards to the rest of the class and ask if anyone wants to exchange? Each child must explain why he/she wants to exchange. Teacher follows up with these questions to the rest of the class: "Do you think this is a fair trade? Why or why not?"

Independent Practice

1. For a creative writing activity, put the following story starter on the chalkboard: "If I could trade for anything in the world, it would be ...." Have the children write a story using the story starter. They should include in their stories: what they want, why they want it, and what they would be willing to give up for it.

2. On the chalkboard write, "Pretend you are a________________________. What goods or services could you offer to exchange with a________________________?" Then give each student a piece of paper or a card with names of two occupations on it. The children will copy the sentences from the board and use the names on their papers or cards to fill in the blanks. Have them then write as many goods and/or services as they can think of offering.

Examples of occupations that could be used:

doctor/dentist
dentist/lawyer
doctor/police officer
doctor/banker
baker/doctor
dentist/baker
lawyer/baker
lawyer/dentist
policeman/doctor
banker/dentist
lawyer/banker
baker/dentist
baker/lawyer
banker/baker
dentist/doctor
dentist/banker
banker/lawyer
banker/doctor
doctor/baker
baker/banker

Have the children with the two matching occupations get together and discuss their exchanges. For example: the student with "doctor/dentist" would get with the student who had "dentist/doctor."

Evaluation

1. From a list of five businesses on the board, the student will choose two businesses and tell the teacher what goods or services could be exchanged. Examples:

   Dentist, Doctor, Beauty/Barber Shop, Gas Station,
   Clothing Store, Shoe Store, Flower Shop

2. From a list of 10 examples of exchanges, the student will recognize the type of exchange. The student will write "G" if goods are being exchanged or "S" if services are being exchanged.
   Examples:
   1. dance lesson/filling a cavity
   2. tank of gas/bouquet of flowers
   3. ring/car
   4. carwash/haircut
   5. fixing a broken arm/car repair
   6. cake/Big Mac
   7. a shot for your dog/repair of a shoe
   8. a dozen eggs/books

Extension

1. Exchange Center: Set up an on-going exchange of items that children contribute, such as stickers, baseball cards, erasers, pencils.

2. Math Center: Provide word problem cards with examples of trading situations on them.
   For example:

   John traded seven baseball cards with Bill. Bill only gave John only three cards. How many more cards does Bill owe John?

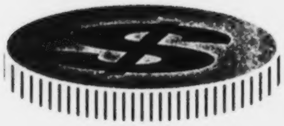
   Mary traded five stickers with Jill, and five stickers with Beth. How many stickers did Mary trade in all?

3. Game Center: Play "The Exchange Game" with a small group. Mix the cards up and deal them out face down so that each person has four cards. Each person shows all of his/her cards and then exchanges with each other.

Additional Resource Materials

- "Winnie the Pooh and the Value of Things," filmstrip/video
- "Once upon a Dime," filmstrip
- "Economics for Primaries," filmstrip
- "Econ and Me," video
- It's a Rainbow World by Sandra Thomas
- Life Games by Saul Barr
- Under the Blue Umbrella by Sandra Gunter
- Americanomics by Bru Harvey

Grade
2



Grade Level: **Second**

Concept: **Opportunity Cost**

Teacher Terms

The highest valued alternative foregone when one option is chosen over another; e.g., an economic choice causes an opportunity cost to be incurred.

Student Terms

What you must give up to get something else. When you choose, you always have an opportunity cost.

Objectives

The second grade student will be able: **to identify what he/she gives up as an opportunity cost.**

Resource Materials

- Candy, gum, or stickers, etc.
- "Decision Diamond" (Attachment A)
- "Decision Cards" (Attachment B)
- Watch or clock

Focus

1. Explain to the students that they will learn more about how to make careful decisions. Whenever we make a decision, we have to choose what we want to have and what we will have to give up or delay having. What we give up is called the opportunity cost or trade-off. We give up the opportunity to have one thing to have something else that we want more.

2. Have a sack of candy or gum. Offer each child one thing. What the child gives up is the opportunity cost or trade-off. If they take a piece of gum, they cannot have a piece of candy, etc.

3. Introduce the Decision Diamond (Attachment A). Explain how choices are not just good or bad. Have students think of the reasons why they wanted the candy and not the gum (or the gum and not the candy).

Modeled and Guided Practice

Read the following situations to the class and discuss the questions with the class. If possible, use the Decision Diamond (Attachment A).

1. Jenny would like to sleep late on Saturday morning, but she knows that her Girl Scout troop is going to sing at a nursing home that morning.
   a. What is scarce or limited for Jenny? (time)
   b. What decision does she have to make? (to sleep late or to go to the nursing home)
   c. What do you think Jenny should decide? What is Jenny's opportunity cost? (either sleep or the nursing home visit)

2. Ms. Johnson, the school principal, has money to buy either a new volleyball set for the playground or software for the school's computers.
   a. What is scarce or limited for Ms. Johnson? (money)
   b. What decision does Ms. Johnson have to make? (whether to buy the volleyball equipment or the software)

c. What do you think Ms. Johnson should decide?

d. What is Ms. Johnson's opportunity cost? (either the volleyball equipment or the software)

3. Tom just received a $200 bonus check from his job. He will use the money either to buy a new suit or to have his car tuned up.
   a. What is scarce or limited for Tom? (money)
   b. What decision does he have to make? (whether to buy a new suit or to tune up his car)
   c. What do you think Tom should do?
   d. What is Tom's opportunity cost? (either the new suit or a tune-up for his car)

4. Mrs. McCoy is the mayor of Mapledale. She has enough tax money left to hire one new police officer or to keep the Recreation Center open longer on weekends.
   a. What is scarce or limited for Mayor McCoy? (tax money)
   b. What decision does she have to make? (to hire another police officer or to keep the Recreation Center open longer)
   c. What do you think Mrs. McCoy should do?
   d. What is Mayor McCoy's opportunity cost? (either the new police officer or longer hours at the Recreation Center)

Independent Practice

1. Use the Decision Diamond and Decision Cards (Attachments A and B). Divide the class into small groups. Give decision cards to students. Have them decide as a group what decision should be made and share it with the class.

2. Give students catalogs and have them "spend" $25. They should identify as opportunity costs what things they would like but cannot have because they chose something else.

Evaluation

1. Given a choice between going to the movies, getting ice cream, or going to an amusement park, students will choose the most favored alternative and will explain which activities are the opportunity costs of the choice.

2. Given an imaginary amount of money (such as $35), students will decide what they would buy with the money and what their second choice would be. Students will identify the second choice as the opportunity cost.

3. After the teacher prepares picture task cards, each card showing two opportunities (such as going shopping or to the movies), the student will pantomime the choice and the alternative . The class guesses the choice and the opportunity cost of that choice.

4. The student will make a choice card with a choice on one side and the opportunity cost on the other.

Extension

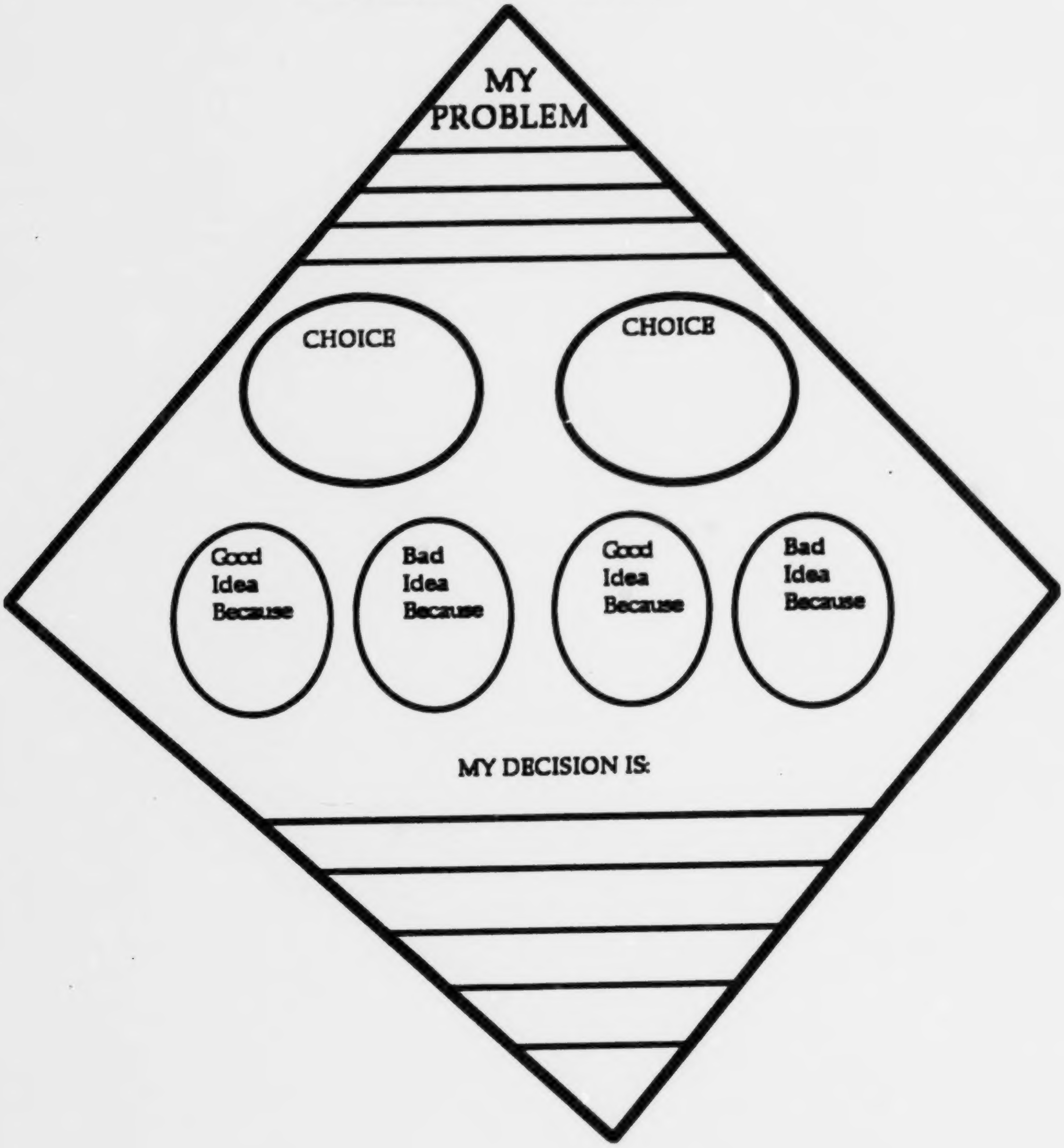
Discuss with the class that societies need to conserve natural resources. "Often there is not enough water to use as drinking water and to water the yards or there is not enough fuel to heat homes and businesses during certain times of the year." Discuss how rationing is sometimes necessary. Discuss conservation as a form of decision making with opportunity costs.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
  "Using Your Time," p. 21
  "This or That," p. 22
  "The Big Buy," pp. 22-23
- "Exploring the Community Marketplace," Lesson 8, Primary Film Series
- "Winnie the Pooh and the Value of Things," 2
- "Econ and Me," Lesson 2
- "Play Dough Economics," Lessons 3, 4, 5

Attachment A

Decision Diamond


MY PROBLEM
CHOICE
CHOICE
Good Idea Because
Bad Idea Because
Good Idea Because
Bad Idea Because
MY DECISION IS:

Attachment B

DECISION CARDS

Read these problems. Use the Decision Diamond to work out a good solution. Which do you choose? Is there an opportunity cost?

1. You have 30 minutes before supper. Will you draw or play soccer? **Decision:** **Opportunity Cost:**	2. Should your school build a tennis court or buy a jungle gym? **Decision:** **Opportunity Cost:**
3. Would you rather have tennis lessons or piano lessons? **Decision:** **Opportunity Cost:**	4. Your parent asks you to either take out the trash or wipe off the table after dinner. Which do you do? **Decision:** **Opportunity Cost:**
5. You have $.50 left over from your allowance. Will you buy candy with it or put it in your piggy bank? **Decision:** **Opportunity Cost:**	6. You get invited to go on a campout in your friend's backyard or go with another friend to an amusement park. Which will you do? **Decision:** **Opportunity Cost:**
7. Should your town build a jogging and bicycling trail or a playground in the city park? **Decision:** **Opportunity Cost:**	8. Would you like your family to go out to eat pizza or hamburgers tonight? **Decision:** **Opportunity Cost:**
9. You have enough wood to make a treehouse or to build a scooter. Which will it be? **Decision:** **Opportunity Cost:**	10. Create your own problem: **Decision:** **Opportunity Cost:**

Grade Level: **Second**

Concept: **Producers**

Teacher Terms

People who make goods and provide services.

Student Terms

People who make goods and provide services.

Objectives

The second grade student will be able:

to identify a producer as one who makes a good or provides a service. The student will be able to recognize that production takes place before consumption.

Resource Materials

- *Johnny Appleseed: A Tall Tale Retold and Illustrated* by Steven Kellogg
- Apples: Red Delicious, Granny Smith, Golden Pippen, Rome Beauty, Jonathan, Macintosh, Golden Delicious, etc.
- Knife to cut apples
- Paper and paint for apple prints
- *Growing Vegetable Soup* by Lois Ehlert
- *The Milk Makers* by Gail Gibbons
- "Producers" (Attachment A)
- "Producing Goods or Services?" (Attachment B)
- "How Do We Get Our Milk to Drink" (Attachment C)

Focus

1. Use the following information to lead a class discussion on producers of goods and services: Producers of goods are individuals, usually working together, in business companies such as makers of toys, etc. Do you know anyone who works by himself/herself and makes a product to sell? Have you ever produced a product? Producers of services are individuals, often working alone, in their own private enterprises, such as hairdressers, cab drivers, etc. Do you know a group of people who perform a service for others? (Dry cleaners, etc.) Have you ever produced a service for someone? Goods and services are produced by people with incentive--working for money or other means of exchange to fulfill the needs and wants of themselves and their families.

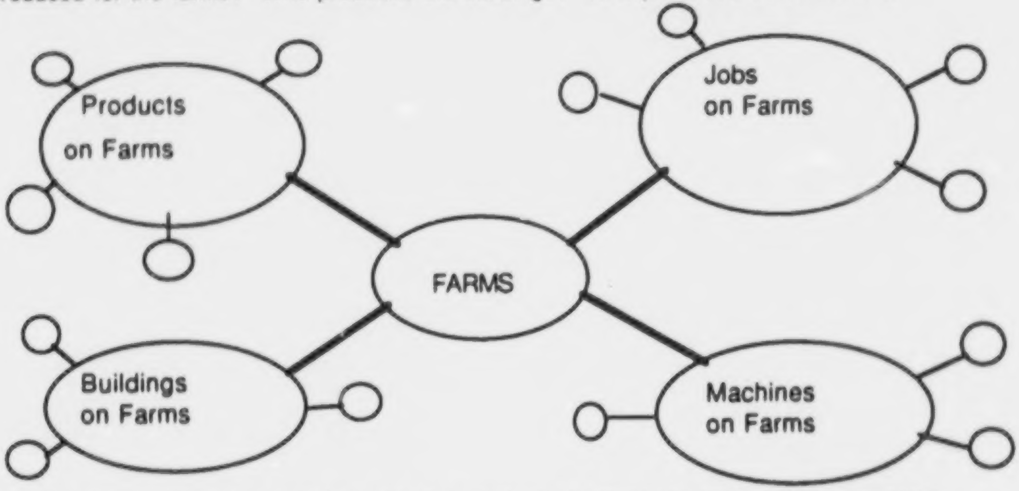
2. Use the following questions to begin a discussion about **Producers of Goods**:
   Many goods that are produced are sold in markets. The owner of the market pays the producer for the product. Then the consumer pays the market owner when purchasing the product.
   Which would be the producer of a book--a bookstore or a publisher? (publisher)
   Is the grocery store manager or the baker the producer of a loaf of bread? (baker)
   Would a department store or a blue jean manufacturing company be the producer of a pair of jeans? (blue jean manufacturing company)
   What would you call a producer of boots, sandals, and sneakers? (a shoemaker)
   Would the local service station or oil refinery be the producer of gasoline? (oil refinery)
   Can you think of any other producers of goods?

3. Use the following information to begin a discussion about **Producers of Services**:

If you need a haircut, you might go to the barber or hair stylist. That person provides the service of cutting hair.
If you have a toothache, whose service do you need? (dentist)
If you need help in calculating your income taxes to be sent to the federal government, whose services do you need? (accountant)
If you are designing an aircraft and need help on the materials and tools for your aircraft, you need the services of what person? (an aerospace engineer)
If your dog isn't feeling well, who would you take it to? (veterinarian)
If your faucet in the kitchen won't stop dripping, you require whose services? (plumber)
If your garage is on fire, you need whose services? (a firefighter)
If you want to improve your backhand in tennis, whose services do you need? (a tennis professional)
Can you think of other people who produce services for us?

Modeled and Guided Practice

1. Brainstorm with the class and name as many ideas as you can about farms and the buildings, products, machines, and jobs on the farm. Produce as many ideas as possible. Record all the ideas on the chalkboard or overhead projector, repeating them as you write them. Encourage students to come up with unusual ideas and not to judge others' ideas while brainstorming. Afterwards, combine or edit the responses. Then put them in a web, which is a way to organize information. Finally, have students use this information to produce a good informative paragraph about farms. Emphasize the products produced on the farm. What services are produced for the farms? Who produces the buildings? Who produces the machines?



2. Use the following apple activities with the students to illustrate their ability to produce.

A person who owns an apple orchard produces apples for people to enjoy. The apples are picked and shipped to stores for us to buy. Let's try some activities using these fruits that have been produced.

a. Examine an apple. Look at the skin closely. Look at the shape. Produce a drawing of what you see. On a sheet of paper begin a word bank using the five senses (how it looks, how it tastes, how it feels, how it smells, how it sounds) as categories. List as many words as you can in the category that describes how it looks. Use comparisons with "like" or "as" whenever possible. (It looks like a ...) Repeat with other categories.

b. You can also produce some interesting apple art. Printmaking is fun using an apple: Cut an apple in half around the middle (like its equator). What pattern do you see? (A star) Let the apple half dry for about an hour. Then use it to make prints. Dip it in paint or use an ink pad and press the apple down on paper to make a print. For variety, cut the apple in other shapes and use several colors.

c. Predict how many seeds are inside a Golden Delicious, Jonathan, Rome Beauty, Red Delicious, Yellow Delicious, or Granny Smith apple. Then cut the apples and count the seeds. Produce a pictograph illustrating the number of seeds found in each apple. For example:

SEEDS FOUND IN EACH APPLE

Red Delicious	• • • • • • • •
Golden Delicious	• • • • • • • •
Granny Smith	• • • • • • • •
Jonathan	• • • • • • • •
Rome Beauty	• • • • • • • •

d. Finally, you can produce a delicious product from the apples:

Try this recipe for applesauce:

Peel and cube 6 apples. Mix with 1 cup water, 2/3 cup sugar and 1/2 tsp. ground cloves. Cook until tender. Blend in blender.

Try doubling the recipe or cutting it in half.

Independent Practice

1. We have learned that apples are produced by the workers in the apple orchard. You were able to produce several things from these apples, so you too are a producer. To learn more about producers:

   a. *Check the labels on the candy you eat to see which company produced that treat.*
   b. *Who made the last chocolate cake that you had? Was it a bakery, your mom, or your dad?*

   Instruct the students to look at home and find labels on products that their family purchases: "Don't just look on food packages. You may find labels sewn inside your clothes. This is to let you know who produced the garment. If you like the way a producer made a certain item of clothing, you may want to buy something else made by the same producer. That is one reason why producers put their labels in clothes. What other information do garment makers put on their labels?"

2. Ask the students to answer the following questions: "Look on your family's car, on the bottom of chairs, on dishes, and on television sets. Who produced these goods? What other items at home have producers' names on them? Make a list and bring it to class. Why would producers put their names on the products they make?"

3. Using "Producers" (Attachment A), have the students draw pictures of producers of goods and services. Write sentences about the drawings.

Evaluation

1. Students will identify five different types of producers of goods and five different types of producers of services. See "Producing Goods or Services?" (Attachment B)

2. Play a simple game with clues like "I'm thinking of a person who puts out fires." The class will say if that person is producing a good or a service. Members of the class will create clues for each other.

3. The students will interview adults about their occupations. "What do you do? Do you produce goods or a service or both?" The students will draw pictures of workers at work. The student will ask older adults, "Has your job changed over time?"

4. The students will say what types of goods or services they produce at home or at school.

Extension

1. Read "How Do We Get Our Milk to Drink?" (Attachment C) to learn more about how milk is produced.

2. Read Steven Kellogg's Johnny Appleseed and find all of the different locations in America where Johnny planted the apple trees. He knew that the apple trees must produce apples before they could be consumed. After reading Johnny Appleseed, put these sentences on sentence strips and arrange them in chronological order:

   As a boy he learned about apples while living close to an apple orchard.
   He walked through Pennsylvania and cleared land for apple orchards.
   In later years, Johnny moved west and planted trees in Ohio.
   Johnny was born on September 26, 1774.
   When Johnny grew older, he set out to explore the West.
   He became ill and died in March of 1845.

3. Discuss the six groups of food presented on the USDA's Food Guide Pyramid: bread, cereal, rice, and pasta; vegetables; fruit; milk, yogurt, and cheese; meat, poultry, fish, dry beans, eggs, and nuts; fats, oils, and sweets. Show pictures that illustrate examples of each or find them in magazines. Discuss how these foods are produced. What do we call the producers of these foods?

Additional Resource Materials

- MCG Teaching Strategies, Primary Level, "Occupation Concentration," pp. 107-108
- "Children in the Marketplace," Grades 3 and 4, Lesson 2, Exploring the Community Marketplace
- Johnny Appleseed: A Tall Tale Retold by Steven Kellogg
- The Milk Makers by Gail Gibbons
- Thematic Unit Apples, Teacher Created Materials
- "Econ and Me," 4, video series
- "Play Dough Economics," Lessons 1, 5
- "Lifegames," Section 1 12
- "Primary Economics," 1, 2

Attachment A

Name ______________________________

Producers

Directions: Draw producers of goods and services in color below. Write a complete sentence about your drawing. Tell about the good or service being produced.

A producer of goods in my community is drawn below.

A producer of services in my community is drawn below.

Attachment B

Name ________________________________

Producing Goods or Services?

Directions: Underline producers of goods in green. Underline producers of services in red.

Linda's Book Printing Company
Mailpersons
Babysitters
Joe's Toy Factory
Bluebonnet Ice Creamery
Boot Repairs
Oscar's Card Design & Printing
Able Construction, Homebuilder
Tex's Jewelry Manufacturing Co.
Veterinarians

Plumbers
Accountants
Dentists
Sew 'n' Sew Dressmakers
Second Grade Teachers
Firefighters
Tick-Tock Clockmaker
Custom-Built Bicycle Shoppe
Kay's Beauty Shops
Yummy Candy Company

Write four complete sentences below. Two sentences should describe the producers of goods and the goods produced. Two sentences should describe producers of services and the services provided.

1. ____
____

2. ____
____

1. ____
____

2. ____
____

On the back of this paper, draw a picture of a producer of goods and a picture of a producer of services. Explain your drawing in a complete sentence.

Attachment C

Name ____

How Do We Get Our Milk to Drink?

If you use a good or service, you are a consumer. Many people consume milk. If you make a good or provide a service, you are a producer. The dairy produces the milk.

Dairy cows are milk producers. The product, milk, comes from the cow. The dairy farmer provides the labor or human resources.

A dairy cow eats about 50 pounds of grass and other food and drinks 15 gallons of water a day. How much water does she drink in three days? _____ How much does she eat in five days?___

The average cow makes five gallons of milk a day. How much milk does she produce in five days? ______How much does she produce in 30 days? _____

Milk is nutritious, and it makes our bodies strong. Make a list of goods from milk. Try to find out how some of them are made.

1. *buttermilk*
2. *egg nog*
3.
4.
5.
6.
7.
8.
9.
10.

Directions:

1. Put these complete sentences in order from 1-6.
2. Underline the nouns in red and circle the verbs in green.
3. Then, on another sheet of paper, write the sentences in correct sequence in a paragraph.

_____ Consumers buy milk at the store.

_____ The farmer raises the milk cows.

_____ Trucks take the milk to the stores.

_____ Each day the cows are milked.

_____ Trucks take the milk to the dairy.

_____ The milk is pasteurized and packaged at the dairy.

To find out more about the dairy industry, read The Milk Makers or interview a dairy farmer. Try building a diorama of a dairy farm. How is a dairy farmer like an apple grower?

Grade Level: **Second**

Concept: **Productive Resources**

Teacher Terms

All natural resources, human resources, and human-made (capital) resources used in the production of goods and services, e.g., land, labor, capital, and entrepreneurship.

Student Terms

All of the things we use to make goods and services. These things are called land (or natural resources), labor, capital, and entrepreneurship.

Objectives

The second grade student will be able: **to identify natural resources, labor, and capital in the production of goods and services.**

Resource Materials

- "Productive Resources" song, Verse 1, Economics Revue by Howard R. Yeargan
- Tape recorder
- The Muffin Muncher by Serendipity Press
- "Community Business Observation Form" (Attachment A)
- "The Lemonade Stand" (Attachment B)

Focus

1. Discuss with students the concept that productive resources are all natural resources, human resources, and human-made resources (capital) used in the production of goods and services.

   Hold up a sneaker. "What was needed to produce this good? Let's examine it carefully and see what it is made of. The natural resources, or 'gifts of nature,' are things nature provides that are used to produce goods and services. They are raw materials such as animals, plants, trees, minerals, and water which may be made into such things as glass, chemicals, lumber, plastic, fibers, food, paper, and energy. What natural resources do you think are in this sneaker? (leather or animal hide, cotton or canvas material, and rubber from a tree)

   "Human resources include the quantity and quality of human effort directed toward producing goods and services. Human labor is work. What do people do who make this shoe?" (make the canvas, rubber or leather; cut the pieces out or glue the pieces together, make the eyes and laces, etc.) "What role might the entrepreneur have had in the production of the shoe?

   "Capital resources are goods made by people and used to produce other goods and services. These include tools, buildings, machines, etc. What capital resources were used to make this shoe?" (scissors, furnaces, presses, sewing machines, glue, needles.)

2. Invite a parent or a member of the community to talk to the students about all the resources he/she requires for producing his/her product or service.

3. Explain and describe all the resources required for the school to produce the service of education.

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Modeled and Guided Practice

1. "Look at your desk. Look closely. Is it made of wood or is it plastic that looks like wood? Look under your desk. Is there metal anywhere? How is it put together? Are there screws, nails, bolts or is it glued together? Do you think your desk was made by a person, a machine, or a combination of both? Was it shipped to your school by truck? In a box?" List on the board the materials the class names that were needed to make the desk. In another column, list all the different jobs that would be needed in the making of the desk. Be sure to start with the tree or minerals in the ground, then get the desk built and delivered to the school. All of these are called productive resources. They are all the resources of humans--power, materials, and human-made supplies necessary to produce something.

2. Sing the song Productive Resources, Verse 1:

Productive resources are powerful forces
that make things and do things for us.
And here's more instruction, they're used in production.
That's something we need to discuss.

There's land and there's labor and capital too.
We use when we work, make, or do.
They're urban; they're rural. They're entrepreneurial.
Just watch and I'll show some to you.

Independent Practice

1. Divide the class into small groups and assign them an article in the classroom to examine like the class did the desks. Have them repeat the steps necessary to discover all of the productive resources needed to build that item. Suggestions are the flag, globe, bookshelves, chalkboard, maps. Examples outside the classroom include the flagpole or playground equipment. After each group has completed the list of natural resources, capital resources, and human resources needed to build a particular item, have the groups report to the class. They may want to draw a picture of the item and list the resources on the bulletin board for others to read and compare.

2. Find out if the builder of the school building is available to talk with the class about how the building was built. If the original builder is unavailable, ask another local builder to identify the steps that were probably necessary in building the school and to tell the class about them. After the students have listened to the builder describe the building process, have them list as many natural, capital, and human resources as they can. (See who can list the most.)

3. See if a local homebuilder would talk with the class about the steps needed in building a house, or ask students if any of them have had a home built or have been in an area where there has been clearing of the land, pouring the foundation, installing plumbing, wiring, framing, sheet-rocking, etc., until a house is ready to move into. Show pictures of a house in various stages of development and discuss the people needed, the tools and other supplies necessary, and the natural resources that were used.

4. Have students choose a local business that produces a good or service. Interview someone who works at that business (It could be where a parent works.) and answer the questions on the "Community Business Observation Form" (Attachment A). They will need to find out what the product or service is and what productive resources are necessary in producing this good or service. These forms may be posted on a bulletin board or compiled into a book entitled

"Productive Resources Needed in the Community."
An example would be a local dry cleaner that needs these resources:

Natural: land, minerals, water, plants, air

Human: manager, washers, pressers, seamstress, delivery person, cashier, custodian

Capital goods: telephone, hangers, irons, washing machines, dryers, dry cleaning, solvent, dry cleaning machine, soap, starch, cleaning solvent, pins, needles, cash register, light fixtures, building, delivery truck, paper forms, cardboard, etc.

Evaluation

1. Students will list all the resources needed to build their school and categorize them as natural, human, and human-made (capital) resources.

2. From a group of classroom items such as a desk, chair, flag, clothes hanger, etc., students will name all the products that had to be made (such as hammers, axes, nails, glue) to make these classroom items.

3. Students will discuss the productive resources necessary to produce a meal in the school cafeteria.

Extension

1. Draw a diagram or make a cartoon strip of a product from its natural resource to the finished product. Have students show how to make a chair, a birdhouse, a banana split, a pair of jeans, etc. (You may let them think of an object that they know how to make or may be able to explain.)

2. Instead of drawing a picture of the building process, the student may actually want to make something for the class and explain, while constructing it, what natural, capital, and human resources are necessary. This could also be written in a "How to make a..." paragraph that sequences the steps.

3. Read The Muffin Muncher. It tells about a village that makes muffins and its problem with the local dragon. After the class has heard the story, discuss what natural, capital, and human (labor) resources were necessary to make the muffins.

4. Hand out "The Lemonade Stand" (Attachment B). Use editing symbols to correct mistakes. Rewrite sentences correctly and answer questions about productive resources.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "Resource Match," pp. 56-58
    - "Kool-Aid Collage," pp. 59-60
    - "Resource Challenge," pp. 61-62
- "Children in the Marketplace," Grades 3 and 4, Lesson 3
- "Exploring the Community Marketplace," Lessons 2, 3, 4 and 21, Primary Film Series
- The Tenth Best Thing About Barney by Judith Viorst (This is a book about the death of a pet and how the tenth thing is that the pet can be recycled into helping a flower grow.)
- The Muffin Muncher by Stephen Cosgrove
- "The Muffin Muncher," filmstrip, Society for Visual Education, Inc.
- Teaching Economics in Literature, Drama, and Children's Stories by Michael W. Watts
- "Play Dough Economics," Lesson 2
- "Lifegames," Section 3, Numbers 1, 2, 3, 14, 16, 17, 19
- Oak Lane Tales, Economic Series 1 ("Welcome to Oak Lane" introduces the concept of production.)
- The Economics Revue, Words and Music by Howard R. Yeargan
  "Use Productive Resources," Verse 1

Attachment A

COMMUNITY BUSINESS OBSERVATION FORM

Name____________________________ Due____________

Name of business: ____________________________

Products this business sells or services it performs:

____

____

A Picture of the Business

Resources Used by the Business:

Natural (Examples: land, minerals, water)

____

____

Human (Examples: manager, other jobs including transporting goods, etc.) ____________________________

____

Capital Goods (Examples: machinery, tools, equipment)

____

____

Attachment B

The Lemonade Stand

Find five mistakes in each sentence. Edit and correct them. The correct editing symbols are: ≡ capitalize, ∧ insert, ⊙ (?) (!) (,) needs punctuation, and ୨ omit.

Ex: jan and bill wanted to make a lemonade stand on berry street⊙

Jan and Bill wanted to make a lemonade stand on Berry Street.

2. mother said she would get them some sugar from super save store

3. could they get some lemons from mr jones, the farmer, they wondered

4. Jan borrowed the pitcher aunt sue bought in los angeles, California

5. "would you like to use these glasses" uncle bob asked

6. after jan squeezed the lemons and bill measured the sugar into the pitcher, mrs Smith wanted some lemonade.

7. "something is missing!" mrs smith exclaimed

8. "the water!" jan and bill told mrs. Smith together

9. Jan measured the water, bill poured the water into the pitcher, mrs. smith stirred the lemonade in the pitcher, and they all gave Mr jones the first glass.

10. the signs reading "Lemonade- 25 cents" were placed for all to see and soon everyone on berry street was buying lemonade from jan and bill.

What were the natural resources (ingredients) that were needed?

____

What were some capital resources (money, building, tools and equipment) that would be needed?

____

What were some labor resources (jobs) that were needed?

____

How much do you think the lemonade cost them to make? ______________

Were they going to make money if the sold it for 25 cents a glass? ______________

Grade Level: **Second**

Concept: **Natural Resources**

Teacher Terms

Natural resources (also referred to as "land") are gifts of nature, present without human intervention.

Student Terms

The things that nature provides that we use in production.

Objectives

The second grade student will be able: **to tell how we use natural resources such as water, trees, animals, and minerals to produce goods and services.**

Resource Materials

- "The Forester" (Attachment A)
- "Water and Energy" (Attachment B)
- "Main Idea and Details" (Attachment C)
- "Trees" (Attachment D)
- "What Would We Do Without Water?" (Attachment E)
- Verse 2, "Productive Resources," Economics Revue, Vol. 1 by Howard R. Yeargan
- Tape recorder
- To recycle paper: three used worksheets or pieces of notebook paper, dish pan or sink, blender, warm water, fine meshed screen, waxed paper, newspaper.

Focus

1. Discuss with students the following questions:
"The sun, wind, land, water, plants, and animals are natural resources. Which are living things? What do they need to grow? What would our world be like without plants? Without water?"

2. Read the poem "The Forester" with the class and answer the questions that follow it (Attachment A). After talking about all the uses for trees, discuss how recycling can help conserve the environment. What else can be done to save trees?

3. Sing Verse 2 of the song "Productive Resources:"

Land has more meaning than dirt that is leaning
on poles that are spinning in space.
It's not just for horses it's natural resources.
It's water and trees and a place.

It's coal, oil , and timber and ores of all kind.
It's cut and it's pumped and it's mined.
And when satisfactory a place for a factory.
It's all of these things when combined.

Modeled and Guided Practice

1. Read "Water and Energy" (Attachment B) with the class and discuss uses of water. Ask, "Can you think of other uses?" Discuss with students that water is a natural resource.

2. Use pieces of brown and green paper to create a big tree in front of the classroom. Each piece of the tree should be attached with a small circle of tape so it can be easily removed. Ask the class to make suggestions about what goods can be produced from trees. Each time a student makes a suggestion, remove one piece of the tree. Continue until most of the tree is removed. Discuss what would happen if conservation measures were not followed. This activity could be replicated using a barrel of oil, a corn stalk, cowhide, etc.

3. Take a picture and make a slide of a vacant lot. Project the slide in front of the class and discuss with students how the land might be used. (park, school, commercial business, theatre, etc.)

Independent Practice

1. Build a water wheel and a pinwheel by following directions on "Water and Energy" (Attachment B). Demonstrate how water can be used to create energy and how fast-moving air can create energy.

2. Use the plant worksheet, "Main Idea and Details," to learn more uses for plants (Attachment C).

3. Read more about trees. Use "Trees" (Attachment D) which emphasizes vocabulary in context.

4. Working in small groups, read and solve the math problems on "What Would We Do Without Water?" (Attachment E).

5. Name a natural resource. Have students think of a use for the resource or have each student draw his/her use of the vacant lot in the Guided Practice activities.

Evaluation

1. Students will list five different natural resources and identify at least five different uses for trees and for water in producing goods and services for people.

2. Students will plan the building of a club house and discuss the natural resources required.

3. Students will name products that could be made using natural resources; e.g., lumber, granite slab, wool, cotton.

Extension

1. Experiment with plants. Give some plants plenty of water and light, some light and no water, and some no light but plenty of water. Predict the results. Measure the growth each day and keep a growth chart. Compare the predictions with your findings.

2. List products found in the classroom, community, and your area of Texas that are made from plants.

3. Find out how you can tell the age of a tree.

4. Design posters or badges encouraging recycling and conservation of natural resources.

5. Find out how various counties in Texas use different animals--sheep, goats, turkeys--for products.

6. How do different countries use animals for work purposes? (Yak, llama, water buffalo, camel, horse, mule, ox)

7. Draw a picture showing the water cycle.

8. Make recycled paper.
Take three pieces of used notebook or duplicating paper and have the students tear them into small pieces. Place the torn-up paper into a blender and fill half full of warm water. Blend it until it is the consistency of oatmeal. Pour the mixture through a fine mesh screen being held over a dish pan or sink. Try to press most of the water through the screen using a piece of waxed paper. Flip the chopped up paper onto several thicknesses of newspaper and let it dry for several days.

Look at the texture of the paper. "Where have you seen it before?" (paper towels, paper sacks, cards, etc.) Use the paper the students have made for an art project. The paper may be recycled again, but it will be weaker each time it is recycled. Usually, recycled paper is mixed with new paper to keep it strong enough to use.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "Resource Match," pp. 56-58
    - "Kool-Aid Collage," pp. 59-60
    - "Resource Challenge," pp. 61-62
- "Children in the Marketplace," Grades 3 and 4, Lesson 3
- "Exploring the Community Marketplace," Lessons 2, 3, 4, and 21, Primary Film Series
- "Learning About Energy," Activity Kit. Detroit Edison
- "Energy and Everyday Life," National Geographic Society
- "Buying, Selling and Saving," Activities and Games for Elementary Economics, Lockner and Yonemoto
- The Tenth Best Thing About Barney by Judith Viorst
- "Lifegames," Section 3, 4, 5, 6, 7, 8, 9, 15
- The Economics Revue, Vol 1. by Howard R. Yeargan

Attachment A

Name ______________________________

The Forester

I can't decide what to do with these trees.
So many things are made from these.
They help make houses, furniture, toys.
We hit drums hard with sticks for noise.
Trees help us in school, pencils, paper, and books.
Things made of trees are found wherever one looks.
It takes time to grow trees, sometimes many years.
We must make wise use of our trees, I fear.
You might want to think of their many uses.
I must admit, I make no excuses.
That I'm confused as to what I'd choose
As to how to decide how my trees should be used.

What problem is discussed in the poem?

What uses did the poem suggest for trees?

What are your suggestions as to how we can use trees?

Why should we make wise choices about how we use trees?

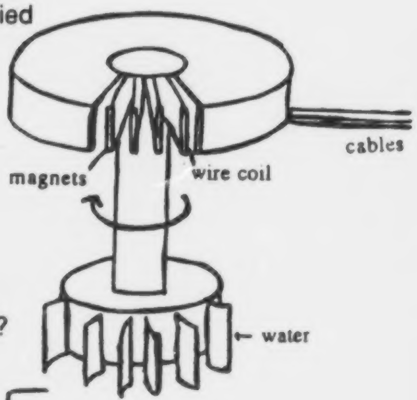
Extra: Underline the rhyming words. Where are they found in the sentences?

Attachment B

Water and Energy

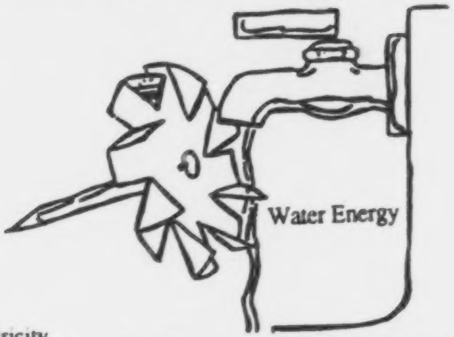
Water is very important. All plants, animals and people need water to live. We use water for fun, for transporting people and goods and for a home for many plants and animals. Water is used to help clean things. Water can even be used to create electricity. This is called hydroelectricity.

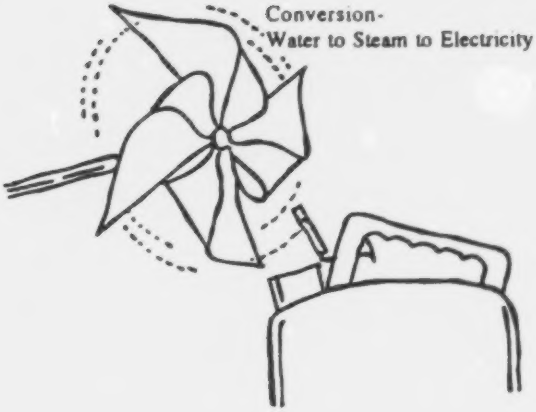
Fast-moving water from a dam or a waterfall turns a machine called a turbine. When the turbine turns, it spins magnets. When the magnets spin around and around, it makes electricity. The electricity is carried away in cables to be used in homes and factories.



You can make a water wheel that will show how water can move things. Cut the circle from the next page out of cardboard. Cut along the solid lines and fold along the dashed lines. Fold in the same directions around the wheel. Put a pin through the dot and into an eraser of a pencil.

Holding the pencil, put the waterwheel under a slow-running faucet. Watch how the wheel turns. What would make the wheel turn faster? How can this energy be used? What happens to the water after it turns the turbine?




Conversion-
Water to Steam to Electricity

Another way of using water to create energy is by using steam. Instead of using fast-moving water to turn the turbine, the water is heated to create fast-moving air.

You can show how this works by making a pinwheel out of paper. Cut the square out from the next page. Fasten the corners into the center dot with a pin which will then go into the eraser of a pencil. Then, boil water in a tea kettle on a hot plate. When the steam begins to rise, put the pinwheel in the path of the steam. The force of the steam makes the pinwheel turn.

Discuss how heat energy was used to boil the water and make steam. Use a thermometer to measure the temperature of the water. How can this energy be used? What happens to the water after it turns the turbine? Could it be used to heat homes or buildings?

Attachment C

Name ______________________________________

Main Idea and Details

Read the following paragraphs about plants and answer the questions that follow.

> What do plants need to grow? Plants need air, water, light, good soil, and the right temperature. Green plants can support themselves by making their own food. These plants use carbon dioxide from the air, water, and good soil containing minerals and light energy to grow and to make food. This is called **photosynthesis**. Every plant needs just the right amount of these five basic needs to grow at its best.

What is the main idea of this paragraph?

_ _

What are two supporting details about the main idea?

_ _

_ _

> Plants give us many things we use in our daily living. Different parts of the plants are used to get different products. Roots are used for foods, seasonings, medicines, candy, and dyes. Stems are used for foods like celery and asparagus. Maple syrup, sugar, rubber, rope, and lumber are other products made from stems. Plant leaves provide us with foods like lettuce, cabbage, spinach, and tea. Tobacco, spearmint, and peppermint are more leaf products. Flowers, in addition to their beauty, are used in making perfume. Fruits of plants are usually eaten or may be squeezed to make juice to drink. These vary from grapes and tomatoes to pumpkins and apples. Seeds, like beans, peanuts, and cocoa, are used mainly as foods. Other products from seeds include cotton cloth, coconut, and soybean oils.

What is the main idea of this paragraph?

_ _

What are two supporting details about the main idea?

_ _

_ _

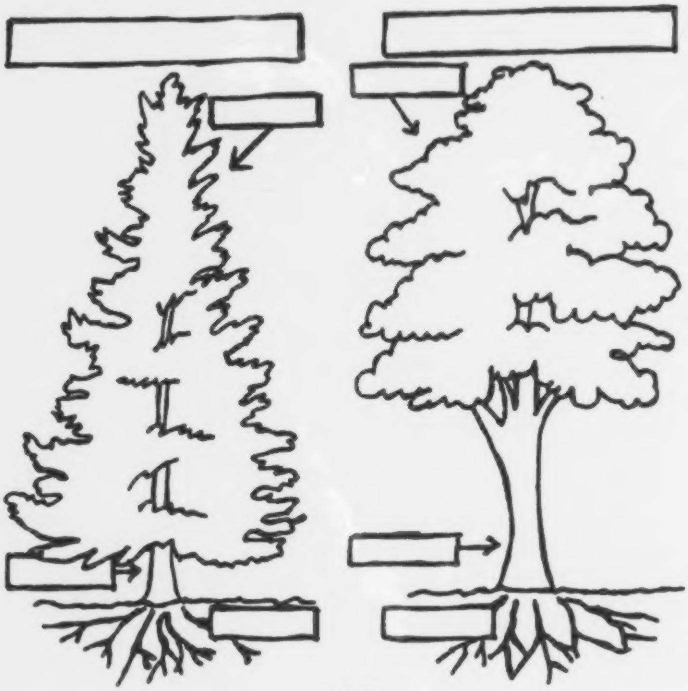
Attachment D

TREES

All trees have three basic parts: the roots, a trunk, and a crown. The roots are the part of the tree that grow downward into the ground. The trunk is the part of the tree between the roots and the leaves. The crown includes branches, stems and leaves.

There are two different kinds of trees: coniferous (evergreen) and deciduous (those that have leaves that fall). Coniferous trees, called evergreens, have leaves shaped as needles or flat scales which stay on the tree from two to five years. Most coniferous trees have cones. The trunks grow tall and straight, and most of the branches are usually found near the top of the trunk. Deciduous trees, or "fall" trees, have broad, flat leaves which usually change color and fall from the tree each year. The trunks of deciduous trees may divide. The branches usually begin low on the trunk.

Label the two trees. Which one is coniferous and which is deciduous? Label the three basic parts on each tree.



Attachment E

Name ____

What Would We Do Without Water?

Small Group Math Worksheet

Water is important to people, animals, and plants. Plants use water to grow and to make food. Animals and people drink water to grow and to be healthy. People need at least five pints of water a day. A dairy cow drinks about 15 gallons of water a day.

A bath takes 40 gallons of water. A five-minute shower takes 30 gallons of water. How many gallons would you save if you took a five-minute shower instead of a bath? ________________

What would happen if you took a 10-minute shower? ______________________________

A slow dripping faucet wastes 15 gallons of water a day. How many gallons would be wasted over five days? ____

The average person uses 87 gallons of water a day. How many gallons would he/she use over the weekend (Saturday and Sunday)? ____

As a nation we use 700 billion gallons of water daily. How much does America use in three days?____

The earth gets 34 inches of precipitation (average) per year. How many inches falls on the earth in three years? ____

A dishwasher uses 25 gallons of water per load. If the dishwasher was run after breakfast, lunch, and dinner, how many gallons would be used in one day? ______________________

An average washing machine uses 20 gallons of water per load of clothes. If you washed four loads of clothes last Saturday, how many gallons of water did you use? ____________

How many gallons of water would you use each day if you ran the dishwasher once a day and washed one load of clothes a day? ____

What can we do to save our Earth's water supply? Think of some solutions. Write them down.

Grade Level: **Second**

Concept: **Human Resources: Labor and Entrepreneurship**

Teacher Terms

Human effort, physical and mental, devoted toward producing goods and services.

Student Terms

People work in jobs to produce goods and services.

Objectives

The second grade student will be able: **to name skills people need to do different kinds of jobs.**

Resource Materials

- The Little Red Hen (Attachment A)
- "Occupation Cards" (Attachment B)
- "Ways to Use...Cards" (Attachment C)
- "Talent Search" (Attachment D)
- "Occupation Investigation" (Attachment E)
- Shoe or tissue box
- Sentence strips or paper cut into strips
- "Consider Your Future Job" (Attachment F)
- Tape recorder
- Loaf of bread
- Verse 3, "Productive Resources," Economics Revue, Vol 1. by Howard R. Yeargan

Focus

1. Read the story The Little Red Hen or have students act it out as a puppet show. Make paper bag puppets. Discuss the major character (the little red hen) and the minor characters (the duck, cat, pig (Attachment A).

   "What characters were asked to bake the bread?"______________

   "Who baked the bread?"______________

   "What characters were asked to pound the wheat?"______________

   "What character took the wheat to the mill?"______________

   "What characters refused to cut the wheat?"______________

2. Hold up a loaf of bread or picture of one, and discuss the evolution of the loaf. You may ask for student reactions by asking such questions as:

   "What is this bread made from?" (flour)

   "Where does the flour come from?" (wheat or rye)

   "Where does wheat grow?" (on a farm)

   "The farmers need seeds and tools to help their wheat grow. What else does the farmer need to help the wheat grow?" (sun, etc.)

   "What do we get from the bread?" (food energy: calories, vitamins, minerals)

   "What does the farmer do with most of the wheat after it is grown?" (he/she sells it or sends it to a processing plant, called a mill)

   "What happens to the wheat at the mill?" (ground up into flour)

   "Would energy be used at the mill? Where does it come from?" (electricity to run the machines; natural gas--pipeline)

   "Who buys the flour from the mill?" (people, stores, bakeries)

3. Sing Verse 3 of "Productive Resources," Economics Revue, Vol.1.

Labor means working rather than shirking.	*Their pay is determined by what they produce.*
The effort that people exert.	*Its value in trade and in use.*
They're fat and they're skinny.	*So if you want income,*
With few skills or many.	*so you can spend some,*
That range from untrained to expert.	*your leisure you'll have to reduce.*

Modeled and Guided Practice

1. "Now, let's be bakers. If we follow this recipe, we will be using flour to produce bread as the baker does." Write this recipe on the chalkboard or chart. Read the recipe with the class and discuss it. Then follow the recipe. Let the children take turns measuring, stirring, kneading, acting as timer, taking bread to the cafeteria to be baked, slicing the bread, serving the bread, and cleaning up.

QUICK & EASY BREAD

Mix in bowl:	Add:
3 cups warm water	6 1/2 cups whole wheat flour
3 tbsp. yeast	1 tbsp. salt
1/3 cup honey or molasses	1 cup powdered milk
3 tbsp. oil	

Let rise in warm place covered for 15 minutes. Knead (punch it around) well for 10 minutes. Sprinkle flour on table and hands often. Fill pans (greased) 2/3 full. Let rise 15 minutes in warm place. Bake in preheated 375 degree oven for 20-30 minutes. Makes two loaves.

Discuss the human resources required for making the bread.

[Recipe is from Creative Food Experiences for Children by Mary T. Goodwin and Gerry Pollen, Center for Science in The Public Interest, Washington, D.C. 1974.]

2. Use the Occupation Cards and Goods-Services Cards (Attachment B) to learn about a variety of jobs and why we need them. Several activities are listed on Attachment C.

3. For an entrepreneurial activity, divide the students into pairs. Give each pair a simple object (paper cup, paper clip, rubber band, etc.). Allow time for students to talk together about the usual use of the object, ways to improve the object's use, and new uses for the object. For example: A paper cup is used to drink liquids; the shape might be changed and the cup used as a megaphone.

4. Have students list attributes of their dream store or have them list ways that a store could be improved.

Independent Practice

1. Use "Talent Search" (Attachment D): Talk about the things that the students like to do, the things that they are good at, and the kinds of jobs that would need people who have their talents. Pass out the Talent Search worksheet and have students think about themselves and check the characteristics they think they have. Then have them think of several jobs they could do using these talents.

2. Occupation Investigation: Find someone who is doing a job that you might like to do when you are older. Schedule some time to talk with that person about his/her job. Suggestions for questions are found on the worksheet Occupation Investigation (Attachment E). Afterwards, the class may want to compare findings, e.g., how many hours most people work and how most people have worked in more than one job, etc.

3. Have students make a TV documentary about the job that they might like to have. Each student will need a shoe box or tissue box and a four-inch-wide sentence strip or strip of paper that can be stapled together to make a strip as long as the student needs. Draw as many three-inch-wide squares along the strip as needed. In the squares, draw or cut out pictures of that person performing the job. The documentary should have sentences below the pictures telling what the person does, what type capital (tools, etc.) the person uses, what education or training is needed to acquire that occupation, and what skills are necessary to do a good job.

   The "TV set" is then made by cutting slits in the small sides of the box long enough to slide the strip through. A window on the largest side of the box is cut and should be big enough through which to view the story. The ends of the strip can be glued of stapled so that the story is continuous.

   Display the sets around the room so that students can "watch TV" during their free time in the classroom.

Evaluation

1.. Given pictures of people in several different occupations, students will name the types of skills these people need to do their jobs.

2. Seeing a product (pencil, cold drink, sweater, shoe, toy, baseball, book), students will list all the people (labor) needed to produce the product.

3. Students will name all the different types of labor (which provide a service) required for a school to operate.

Extension

1. Plan a field trip to a local bakery.
   Field trips: Most bakeries permit tours. Take the class at a time when the baker will be there to explain each step in the bread making process. This activity lends itself especially well to a good bulletin board display. All students should be encouraged to contribute drawings about the bakery to the display.

   Write stories and draw pictures showing how the baker helps the community.

2. Compare breads from other countries. For example: discuss how we eat bread in the U.S. and compare it to the tortilla in Mexico. Show pictures, give out samples, compare recipes, or invite someone from another country to talk to the class about their bread products.

3. Resource persons: Often there are people in the community (perhaps even someone in a student's family) who know a great deal about a specific subject. Try to persuade a baker (or doctor or lawyer) to come to the class and speak about the years of training required or the special skills needed and what their workday is like. Perhaps you could find someone from another country who could compare a specific job here to the same job in his/her country. For example, do bakers (or doctors, lawyers, etc.) go to a special school or require the same

training in both countries?

4. Using "Consider Your Future Job" (Attachment F), match jobs the students do now to possible future careers. Do the activity together and discuss how the jobs are related.

5. Divide students into groups. Allow students time to brainstorm ways they might provide goods or services to their teachers, classmates, or other students for pay. Have students present their ideas to the class in the form of hand bills including prices of the goods or services.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "Resource Match," pp. 56-58
    - "Kool-Aid Collage," pp. 59-60
    - "Resource Challenge," pp. 61-62
- "Children in the Marketplace," Grades 3 and 4, Lesson 3
- "Exploring the Community Marketplace," Lessons 27, 28, and 29, Primary Film Series
- "Lifegames," Section 3, 10, 18, 20
- "Winnie the Pooh," Series 4
- "The Economics Revue," Vol 1. by Howard R. Yeargan

Attachment A

The Little Red Hen

Author Unknown

One day the little red hen said, "Come see what I have found! I have some wheat.
I am going to plant it."
"Who will help me plant the wheat?" asked the little red hen.
"Not I," said the duck.
"Not I," said the cat.
"Not I," said the pig.
"Then I will plant it myself," said the little red hen. And she did.

The wheat grew and grew. It grew into a big plant.

"Who will help me cut the wheat?" asked the little red hen.
"Not I," said the duck.
"Not I," said the cat.
"Not I," said the pig.
"Then I will cut it myself," said the little red hen. And she did.

"Who will help me pound the wheat?" asked the little red hen.
"Not I," said the duck.
"Not I," said the cat.
"Not I," said the pig.
"Then I will pound it myself," said the little red hen. And she did.

"I will take the wheat to the mill," said the little red hen. "The mill will make the wheat into flour. Who will help me take the wheat to the mill?"
"Not I," said the duck.
"Not I," said the cat.
"Not I," said the pig.
"Then I will take it myself," said the little red hen. And she did.

"I will make bread with the flour," said the little red hen.
"Who will help me make the bread?"
"Not I," said the duck.
"Not I," said the cat.
"Not I," said the pig.
"Then I will make the bread myself," said the little red hen. And she did.

"Now who will help me eat the bread?" asked the little red hen.
"I will," said the duck.
"I will," said the cat.
"I will," said the pig.
"Oh, no," said the little red hen.
"You did not help me plant the wheat.
You did not help me cut the wheat.
You did not help me pound the wheat.
You did not help me take the wheat to the mill.
You did not help me make the bread.
So you will not help me eat the bread.
I will eat it myself."
And she did.

Attachment B

Occupation Cards (Producers)

Barber	Dentist	Teacher	Doctor	Firefighter
Gas Station Attendant	Police Officer	Baker	TV Repairer	Farmer
Paper Deliverer	Pilot	Mail Carrier	Plumber	Milk Supplier

Goods-Services Cards (Consumers)

			Wild Card **$$$**	**Wild Card** **$$$**
I need a haircut.	My tooth hurts.	I have a stomach ache.	Help! My house is on fire.	I want a glass of milk.
I need a bike license.	I have to send a card to Grandma.	The faucet is dripping.	I need oats for my horse.	I have to buy a paper.
My car is out of gas.	I need to take a trip.	I must buy some bread.	I need to have my TV fixed.	I want to learn to read.

Ways to Use **Occupation Cards** (Producers) and **Goods/Services Cards** (Consumers)

1. One set of the cards are cut apart. Each student is given either an occupation card or a goods/services card. When the teacher gives the signal, all of the students with goods/services cards must find the student who has the occupation card that they need. This may be done by the students with occupations holding their cards up (advertising) or by the students having to go ask or search for the person who can supply the service or good that they need. ***Or...***

2. The students are each given a sheet of cards. The occupation cards are then listed alphabetically. The students must research and find the names of people that live in their area who have this occupation. Guest speakers could be asked to visit the class. ***Or...***

3. The students match the occupation cards to the goods/services cards and write complete cause-effect sentences about them.
   Ex: "I needed a haircut, so I went to the barber."
   "Because I needed a haircut, I went to the barber."
   "I went to the barber because I needed a haircut." ***Or...***

4. The students are each given a page of cards. Students may select one matching pair of occupation and goods/services cards and write a story about when they needed that particular good or service.
   Ex: Write a narrative about when you had a toothache, took a trip on an airplane, or had a leaking faucet. ***Or...***

5. The page of cards may be duplicated twice and the cards cut apart and glued to tag board or construction paper to make a set of playing cards. The game is played like rummy. Three to four students may play and they are dealt six cards. The remaining cards are placed in a stack face-down in the center. One card is turned over next to the stack.

   The object is to match the occupation cards to the goods/services cards. (The money cards are used like wild cards and may be used at any time to purchase any good or service to make a match.) As pairs are made they are laid down. The player to the left of the dealer has the option of taking the face-up card or drawing from the pile. If the player makes a pair, he/she lays the cards down and discards on card. The next player either takes the discarded card or draws off the pile, trying to match occupation cards with goods/services cards. The player must discard one card at the end of his/her turn whether he/she matches or not. The player who gets rid of his/her cards first wins.

Attachment D

Name ____________________

Talent Search

Put an "X" in the blanks next to the things you can do:

_____ I am a good listener.

_____ I am a quiet worker.

_____ I work well with others.

_____ I follow directions.

_____ I am neat.

_____ I am good in math.

_____ I can count money.

_____ I like being with animals.

_____ I like to draw and make things.

_____ I play a musical instrument well.

_____ I don't mind getting dirty.

_____ I like helping people.

_____ I can read well.

_____ I like being in charge.

_____ I am polite.

_____ I am careful.

_____ I come to school on time.

_____ I finish my work.

_____ I like being with younger kids.

_____ I like working with food.

_____ I sing well.

_____ I am good in sports.

_____ I like being outside more than inside.

_____ I like taking things apart to see how they work.

Now that we know all these great things about you, what kind of jobs are there where you could do things you like and do them well?

Attachment E

Occupation Investigation

1. Where do you work?

____

2. What is your job called?

____

3. What goods or services do you provide?

____

4. How many hours a day do you work?

____

5. Is your job changing? __________ How?

____

6. What are some other jobs at the place where you work?

____

7. Have you worked at other jobs that have helped you in this job?

____

8. Why did you decide to take this kind of job?

____

9. Did you always want to do this job?

____

10. What kind of skills are necessary to do well at this job?

____

11. How did you get this job?

____

12. What kind of education or training did you need?

Attachment F

Name ____________________

CONSIDER YOUR FUTURE JOB

MATCH THE FOLLOWING JOBS THAT YOU MAY BE PERFORMING NOW WITH POSSIBLE FUTURE CAREERS. PUT THE CORRECT LETTER FROM THE FUTURE JOB COLUMN IN THE CHILD'S JOB COLUMN.

	JOB AS A CHILD		FUTURE JOB
1. _____	making cookies	a.	waitress at a restaurant
2. _____	lawn care	b.	veterinarian
3. _____	cleaning your room	c.	aerospace engineer
4. _____	caring for pets	d.	interior designer
5. _____	repairing machines	e.	photographer
6. _____	setting the table	f.	designer
7. _____	caring for house plants	g.	landscaping/nursery owner
8. _____	child care	h.	nursery school teacher
9. _____	garage sales	i.	housekeeper/custodian
10. _____	making doll clothes	j.	judge
11. _____	library helper	k.	jet engine mechanic
12. _____	collecting papers or cans for recycling	l.	florist
13. _____	painting	m.	storeowner
14. _____	decorating own bedroom	n.	bookstore owner
15. _____	taking pictures	o.	baker
16. _____	flying paper airplanes	p.	artist
17. _____	fair person	q.	ecologist

Grade Level: **Second** Concept: **Capital**

Teacher Terms	Student Terms
Goods produced by people that are used to produce other goods and services, rather than being directly consumed.	**Goods that are used to produce other goods or services.**

Objectives

The second grade student will be able: **to identify goods used to make other goods.**

Resource Materials

- Hammer
- Tape recorder
- The Muffin Muncher by Stephen Cosgrove
- "Productive Resources," Economics Revue by Howard R. Yeargan
- "Resources Worksheet" (Attachment A)
- "Math Worksheet" (Attachment B)

Focus

1. Hold up a hammer or other article. Ask students to name workers that might use hammers to do their jobs. Name as many as possible, then choose one of the jobs that they named. Brainstorm and list other things that a person might need for that job (e.g., machines, a building, tools). These things that are made by a person to produce other goods or services are called "capital resources."

2. Ask students who have had a business (lemonade stand, lawn mowing, etc.) what capital resources they needed to start their business. What tools were needed? Remember, capital resources are those things made by man and used to make other things or to perform a service. Is a car a capital good? A horse? A tree? A ladder?

3. Ask students, "What if we changed this class into a cafeteria, t-shirt shop, dentist's office, beauty shop, mechanic's shop, etc., what capital resources (building, tools, machines) would we need?"

4. Sing Verse 4 of "Productive Resources":

With multiple uses, and many abuses
let's see just what capital means here.
Not government cities nor tall lettered pretties,
and not a stupendous idea.
Instead of consumption it's used to produce
some more goods direct for our use.
No matter how silly it's anything really
from steel mill to railroad caboose.

Modeled and Guided Practice

1. Remind students that capital resources include the building, tools, and equipment needed to make the product and deliver it to consumers. What would be some capital resources needed to produce a house (or a car or this school)? Have students divide into small groups, choose an item, and name as many capital resources as they can that are needed to make it. It may be

helpful to draw a diagram like the one on the Resources worksheet (Attachment A). See which group can come up with the most. Try not to name labor resources (human workers) or natural resources (like wood, etc.).

2. Read The Muffin Muncher by Stephen Cosgrove and discuss the capital resources or tools in the story. Was there a scarcity of capital resources? Of natural resources? List all of the capital goods needed to make the muffins and get them to market.

3. List names of services provided (doctor, dentist, teacher, barber) on the chalkboard or overhead transparency. Brainstorm capital resources required by each and list.

Independent Practice

1. Students will select a neighborhood business in which they are interested that makes a product and list all of the things (resources) that they can think of for that business to operate (e.g., electricity, tools). Make a report and read it to the class. Repeat this activity with a business that provides a service.

2. Students may schedule an interview (personally or on the phone) with someone that works in that business, and find out if there are other things that the company needs to produce their product. Find out where the company gets some of its supplies (machines, etc.). Invite business people from these companies to visit with the class. Students will tell the class of their findings.

3. Students may draw a picture of the business place that they are researching and place it on the bulletin board, and develop a neighborhood map. Find out if any of the businesses get their capital resources from neighborhood sources. "Can you tell how these businesses are alike? How are they different?"

4. From the interviews students may answer questions such as: "How much does the product cost that your business sells? If the capital resource that the company needed went up in price, what would happen to the price of the product that the business sells? Has it ever happened?" This is one of the questions the students could ask in the interview. "If the price of the capital resource rises, will the price of the product or service also rise?" Predict how much the product price may rise.

5. For math coordination, use "Math Worksheet" (Attachment B).

6. Ask students to bring to class an item (capital/tool) used by their parents or guardians at their work; the student should explain to the class the article and its use (using information gained from the parent or guardian).

Evaluation

1. From a group of classroom items such as desk, chair, flag, clothes hanger, etc., students will name all the products that had to be made (such as hammers, axes, nails, glue) in order to make these classroom items.

2. Students receiving name cards with a name of a capital resource on it (e.g., hammer, glue, name of building, measuring spoons) will match the capital resource when the teacher says, "I am (name of good or service)." Students with matching cards will join the teacher at the front of the room.

3. When the teacher holds up a tool or card with a capital resource listed on it, the student will name goods and services which could be produced using the tool.

Extension

1. Find what specialists are employed at a business that was researched: list the different types of jobs (labor resources) needed to produce products. Find out what natural resources are necessary. Make a chart listing these items in categories.

2. Show the class some advertising from the business. Ask students to design ads of their own to try to get people to buy the product.

3. Divide students into groups. Ask students to choose a business that they want to start that would provide a good or service. Give each group the same budget of a certain number of money units and a set of capital resource cards.

Example resource cards:

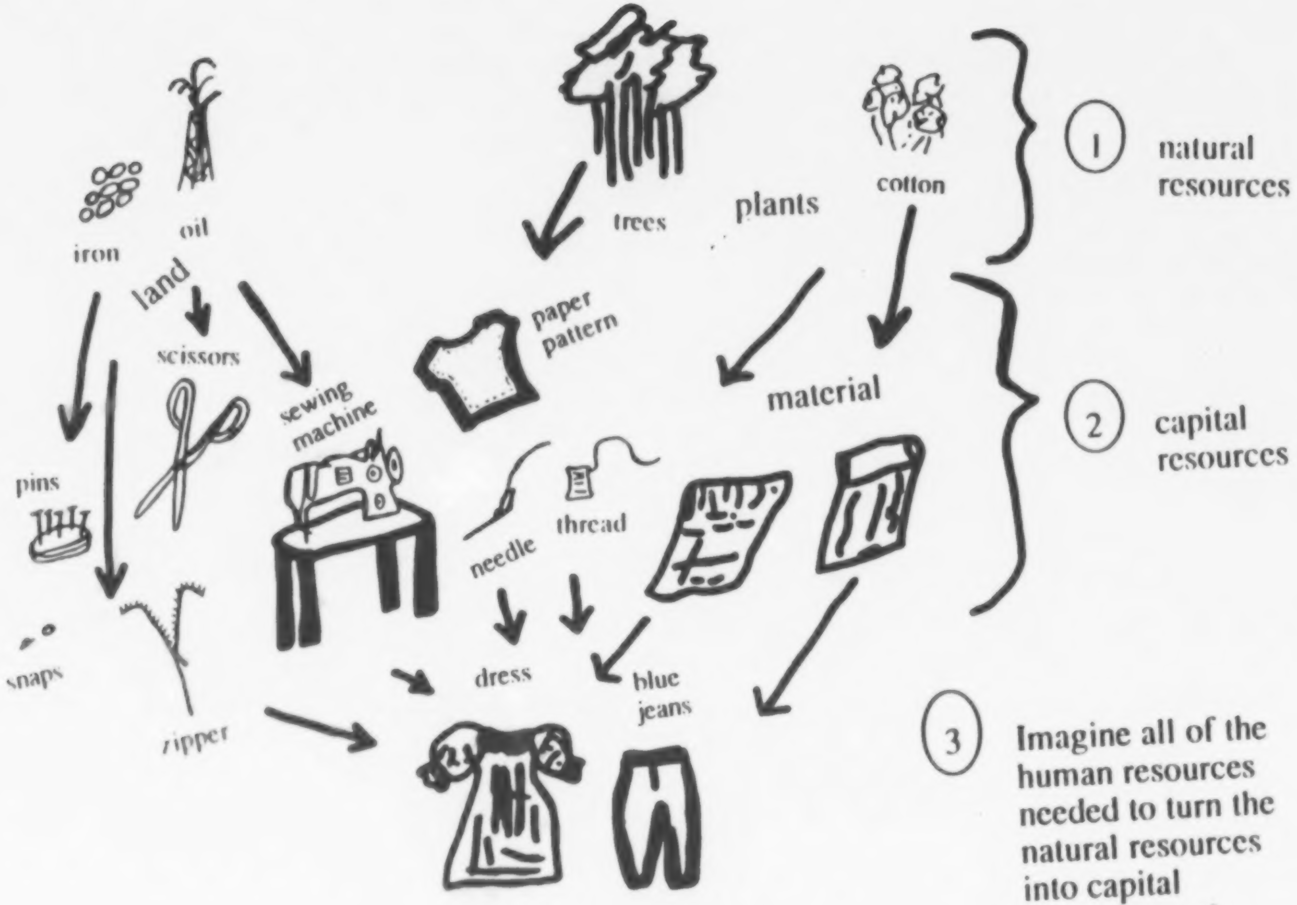
Brick building	100 money units	Wooden furniture	100 money unit
Wooden building	75 money units	Aluminum furniture	75 money units
Sheet metal building	50 money units	Plastic furniture	50 money units
Stainless steel tools	100 money units		
Cast iron tools	75 money units		
Wood & plastic tools	50 money units		

In this example, allow 225 money units for each group to spend on its capital resources for its particular business.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "Resource Match," pp. 56-58
    - "Kool-Aid Collage," pp. 59-60
    - "Resource Challenge," pp. 61-62
- "Children in the Marketplace," Grades 3 and 4, Lesson 3
- "Exploring the Community Marketplace," Lessons 27, 28, and 29, Primary Film Series
- The Muffin Muncher by Stephen Cosgrove
- "Lifegames," Section 3, 11
- "Play Dough Economics," Lesson 9
- The Economics Revue, words and music by Howard R. Yeargan

Attachment A


trees
plants
cotton
iron
oil
land
scissors
sewing machine
paper pattern
material
pins
needle
thread
snaps
zipper
dress
blue jeans
① natural resources
② capital resources

③ Imagine all of the human resources needed to turn the natural resources into capital resources and then into the dress or blue jeans!

RESOURCES

Attachment B

Name ______________________

MATH WORKSHEET

SOLVE THESE PROBLEMS:

1. The king bakes 70 muffins. The queen bakes four more muffins than the king. How many muffins does the queen have? Write a number sentence for the problem. Solve it.

2. It takes 17 minutes to bake muffins. Cupcakes bake in 18 minutes. Bread sticks take 11 minutes. How much less time do bread sticks take than muffins? Write a number sentence and solve it.

3. Every day the villagers loaded their wagons with 75 muffins, and they fed the dragon 30 muffins so the villagers could cross the bridge. How many did the villagers have left to sell to others in the kingdom?

   How many muffins would the dragon eat in three days?

   How many would the villagers have to sell in two days?

Grade Level: **Second** Concept: **Specialization**

Teacher Terms

When people produce a narrower range of goods and services than they consume they specialize.

Student Terms

Most people work in jobs where they produce a few special goods and services.

Objectives

The second grade student will be able: **to identify a job specialty.**

Resource Materials

- "Special Jobs in the Supermarket" (Attachment A)
- "Specialists in Production..." (Attachment B)
- "Producers of Goods and Services" (Attachment C)
- Yellow Pages of Telephone Book (doctors' specialties)

Focus

1. Ask questions such as the following:

   "What is your dad's job? What does your mom do? Most people work in jobs where they produce a few special goods or services. When you need a service, you go to a special person, like a dentist who works only on teeth. In the past, the doctor took care of people, horses, and even pulled teeth when necessary.

   "Our doctors today have become so specialized that most only take care of certain parts of the body. We have eye doctors, skin doctors, bone doctors, and ear doctors." (Read some entries in the phone book to illustrate how diverse the specialization has become.) "Do you think an eye doctor ever has to go to an ear doctor?" (The doctor needs the services of other specialists.) "Do all specialists depend on other specialists at some time?" (Yes.)

2. Prepare a poster with HELP WANTED as its title. Below list classroom jobs and spaces to fill in names. Pass out job applications that include: name, name of job desired, the reason for applying, experience, etc.

Modeled and Guided Practice

1. Lead a class discussion using some of the following ideas:

   "Besides doctors, what other specialists can you think of? Are there places that you buy or repair saddles or boots? Are there places that sell only videos? Think about jobs adults do. How many of them produce a good? How many of them provide a service?"

2. Using the "Special Jobs in the Supermarket" worksheet (Attachment A), ask students if they have ever seen these people in the supermarket where they shop. "Could a butcher bake the bread and work the check-out counters, also?"

3. Ask such questions as what goods and services people consume but do not produce for

themselves? For example, teachers teach children facts, but they need to buy orange juice to consume for breakfast. Teachers need the services of a mechanic when they cannot get their vehicles to start. They do not grow oranges or do they have the skill and tools to repair their cars.

4. Complete the following sentences with the class and discuss:

A baker produces________________, but she consumes____________________________ which she doesn't produce. A baker requires the services of______________________ when she is not able to do his job.

A law officer offers the service of protection, but he also requires the services of a ______. He will require goods like______________that he does not produce himself.

Independent Practice

1. Using the "Specialists in Production" worksheet (Attachment B), have the students work independently and be ready to share with the class.

2. Give each student a piece of paper with these headings for categories: Specialist of Good or Specialist of Service. Have students tell what their family members do at home and put the jobs under either providing goods or services. Finally, have each student think of all the goods and services that his/her family needs but does not produce. This may need to be completed at home. For example:

Goods My Family Produces	Goods My Family Needs But Doesn't Provide	Services My Family Provides	Services My Family Needs But Doesn't Provide
Bread	Butter	Mows yard	Dry cleaning
Dresses	Eggs	Repairs roof on barn	Electricity
	Shoes	Cuts my hair	Dentist
	Books		Doctor

Tally the results. Did anyone include government services? Do most families need more goods and services than they can produce? Find out how many of the students' parents repair their own cars, bake their own bread, wash their own cars, etc. How many parents usually pay someone for that good or service? Have students survey their parents to get this information. Try making a visual with that information.

Example:

	Pay someone	We make it or do it ourselves
Wash car	12	8
Cut hair	5	15

3. Using the "Producers of Goods and Services" worksheet (Attachment C), divide the class into small groups. Have the groups discuss the worksheet and find answers to share with the class.

Evaluation

1. Given two or more examples of adults in the school or community who specialize in the production of a good or service (e.g., baker, law enforcement officer, teacher, etc.), students will name other goods and services that these individuals consume but do not produce for themselves.

2. After choosing a project, students will divide labor into an efficient assembly operation (e.g., baking bread: sift flour, mix dough, knead dough, bake, clean-up).

3. With cards naming specialists or goods and services needed, students will tell their needs and name specialists to fulfill the needs.

Extension

1. Take the job application forms from Focus 2. Conduct job interviews and engage students in the jobs.

2. Have the students draw pictures of people at work and then write a sentence about the jobs. Invite the workers to talk to the class about their jobs.

3. Have the class perform an experiment to see if an assembly line does work. Divide the class into half. Five people are needed in each assembly line. (You may need to have two lines going.) The rest of the class will work individually. The object is to see which half works most efficiently and produces more.

   An example is to make greeting cards, but any multitask project would work. To make the greeting cards, you will need several pieces of paper, crayons, pencils, a work table, and five workers.

   Directions:
   1. The first member folds a piece of paper in half twice.
   2. The second member draws a pencil design on the cover of the card.
   3. The third member colors the design.
   4. The fourth member writes a verse on the inside of the card.
   5. The last member writes the name of the card company (the assembly line's name) and puts the card in the box for shipping.

   The rest of the class will each need all of these supplies at their desks to make as many cards completely as they can. When the timed experiment is over, collect all cards from both sides and count to see which half completely finished the most cards. The results should show that specialization allows each worker to increase the ability to produce. The longer a worker stays at a job, the better the worker gets at it and the more the worker produces. Workers must cooperate because they depend on each other.

4. Field trip: Plan a field trip to a factory to watch an assembly line. Tell the class to try to remember as many jobs along the line as they can. When you get back to class, begin the assembly process on the chalkboar. Get the class to describe each task briefly and then assign a student to draw it. Put the pictures together in proper sequence to show how to complete the product.

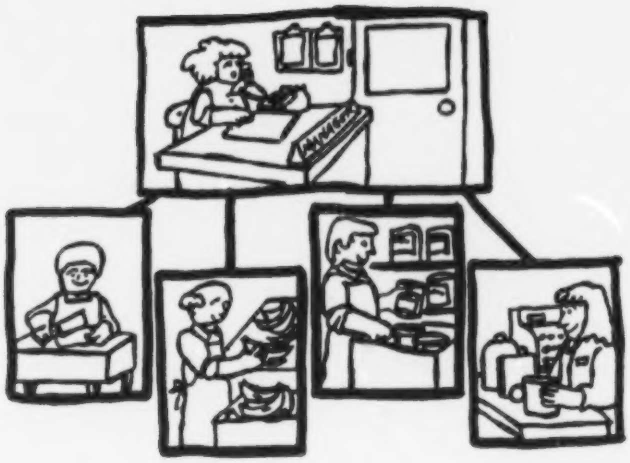
Additional Resource Materials

- MCG Teaching Strategies, Primary Level
  - "Dividing the Labor," p. 96
  - "Making Shoes with Division of Labor," pp. 96-97
  - "Making Jack-O-Lanterns with Division of Labor," p. 97
  - "The Rewards of Higher Productivity," p. 83
  - "More Time for Play," pp. 98-99
  - "Distributing Treats at a Halloween Party," pp. 99-100
- "Exploring the Community Marketplace," Lessons 9, 11, 27, 28, and 29, Primary Film Series
- "Lifegames," Section 2 1, 2, 3, 4, 5, 6, 7, 8
- "Econ and Me," Lesson 5
- "Play Dough Economics," Lessons 2, 8

Attachment A

Name ____________________

SPECIAL JOBS IN THE SUPERMARKET



Look at the pictures.

1. Who is the worker using the telephone? Why is she in the top picture?

----

2. What is this person doing? What would we call this worker?

----

3. What is this worker doing? What kind of foods does he handle?

----

4. What is this worker doing? What could you call the products?

----

5. What task is this worker doing? How can you make sure you get the right change?

BONUS:
Why are all these jobs important?

Attachment B

Name ____________________

Specialists in Production of a Good or Service in Our School & Community

1. Name two specialists who work in our school.

____

____

2. Name two specialists who work at a restaurant.

____

____

3. Give two reasons for having different people do different jobs at a restaurant.

____

____

4. A doctor is a specialist. Name two other specialists you depend on in a hospital.

____

____

5. Name a specialist who produces services in your community.

____

____

6. Name two specialists who produce goods in your community.

____

____

7. Name one tool used in your parent's job.

____

8. True or False?

_____ Truck drivers are specialists.

_____ If you specialize, you depend on others.

9. Describe in detail a job you do at your home. ____

Attachment C

Name________________________

Producers of Goods and Services

Directions: Do this worksheet in small groups. (Or the teacher may divide the class into groups and assign each group one question. After discussion, group members will explain and describe conclusions & decisions orally to the class.)

1. People we depend on for food are ____
2. Some people we depend on to help keep us healthy are ____
3. Some people who help us learn things are ____
4. Some people who help to protect us are ____
5. Some people who deliver our goods are ____
6. People who help us to communicate are ____
7. People who help us to stay informed about world and local events are ____
8. People who make sure we have water are ____
9. Those who make sure we have energy for our homes are ____
10. What happens if our street has a hole too large for a truck to cross safely? ____
11. What if the bridge is washed out and we can't get food? ____
12. What happens if a storm sweeps away our electric poles? ____

Grade Level: **Second**

Concept: **Consumers**

Teacher Terms

Consumers are people whose wants are satisfied by using or consuming goods and services.

Student Terms

When you use a good or service to satisfy a want, you are a consumer.

Objectives

The second grade student will be able: **to identify the use of a good or service to satisfy a human want as consumption and the user as a consumer.**

Resource Materials

- Map of community
- Telephone directory
- List of businesses from the Chamber of Commerce
- "Goods and Services" (Attachment A)
- "Goods and Services Flower" (Attachment B)
- "How Many" (Attachment C)

Focus

1. Ask students what they had for breakfast this morning or dinner last night. Ask if any of them bought something at a store, got gas for the car, picked up clothes at the cleaners, rented a video, etc. People who use goods and services that are produced are called "consumers." Explain that everyone is a consumer.

2. Discuss with students the school supplies they bought for school, such as pencils, paper, scissors, etc. Introduce the fact that they are consumers (in this case, consumers of goods). Then discuss services that they, as consumers, required for the start of school (e.g., haircuts, dental checks, medical checks).

Modeled and Guided Practice

1. Discuss with the students the term "consumer" by asking questions such as these:
   a. What does an automobile driver consume?
   b. What does a cowboy consume?
   c. What did you consume for supper?
   d. Do we, as a class, consume (use) electricity?

2. Have students make a list of stores in their community, or get a list of local businesses from the Chamber of Commerce. Explain that the businesses either provide things called products (goods) that people in the community either want or need or they provide a service like dry cleaning, hairdressing, banking, or repairing something that is broken. Have students tell what they consume from these places. The information can be compiled into a graph, chart, or list of favorite businesses. Write the list of businesses in alphabetical order.

3. Have students draw or trace a map of their community. Mark in red the businesses that provide a service for consumption, mark in blue the businesses that provide a good or product for consumption and mark in purple the businesses that provide both a good and a service for consumption.

Independent Practice

1. Have students list in alphabetical order five goods that they consumed today. List five services in alphabetical order that they have used this week. If possible, write the name of the business that provided each good or service (Attachment A).

2. Describe purchasing situations and ask students to tell which is a good being purchased and which is a service. On the worksheet "Goods and Services Flower" (Attachment B), students are asked to color the goods yellow and the services green.

3. Have students make shopping lists of products or services that would be needed for a pretend party. Have students write the names of stores in the community where they could buy the products or obtain the services needed.

Extension

1. Play a game called CONSUMER (like hangman). Describe a good or service, e.g., "This is something that makes you look better" (haircut). On the board, indicate how many letters are in the word (_ _ _ _ _ _ _). Divide the students into two teams, and let each team choose a name. On the board, write each team's name and by each name write $1,000,000. Each team guesses a letter in the word. If the word has a team's letter in it, that team gets to guess another letter. If the word does not have that letter, erase a zero from the team's score. Team members decide together when they are ready to guess the word. If they guess and are wrong, the team loses a zero. If the team is right, it gets a letter to make the word CONSUMER. If the team runs out of money before the word is guessed, the other team gets a letter to spell CONSUMER. Both teams begin with $1,000,000 with each word.

2. Have each student make a collage of goods he or she likes, using pictures cut from magazines. The collage should cover an entire page. Then have students make collages of services they would like to have performed.

3. Use "How Many?" (Attachment C) Students use addition or subtraction to solve problems determining total goods and services purchased.

Additional Resource Materials

- MCG Teaching strategies, Primary Level, "Occupation Concentration," pp. 107-108
- "Econ and Me," Program 3
- "Play Dough Economics," Lesson 4
- "Lifegames," Section 1, Lesson 12
- "Primary Economics," Lessons 1, 2

Attachment A

Name____________________
Date ____________________

Goods and Services

Consumer - When you use a good or a service, you are a consumer.

Think of five goods that you have bought. List them in ABC order. Then tell where you bought them.

Goods	**Businesses**
Ex: Gasoline	Ex: Roberto's store
1.____________________	____________________
2.____________________	____________________
3.____________________	____________________
4.____________________	____________________
5.____________________	____________________

Now think of five services that you have bought. List them in ABC order. Then tell where you bought them.

Services	**Businesses**
Ex: Haircut	Ex: Lynda's shop
1.____________________	____________________
2.____________________	____________________
3.____________________	____________________
4.____________________	____________________
5.____________________	____________________

Attachment B

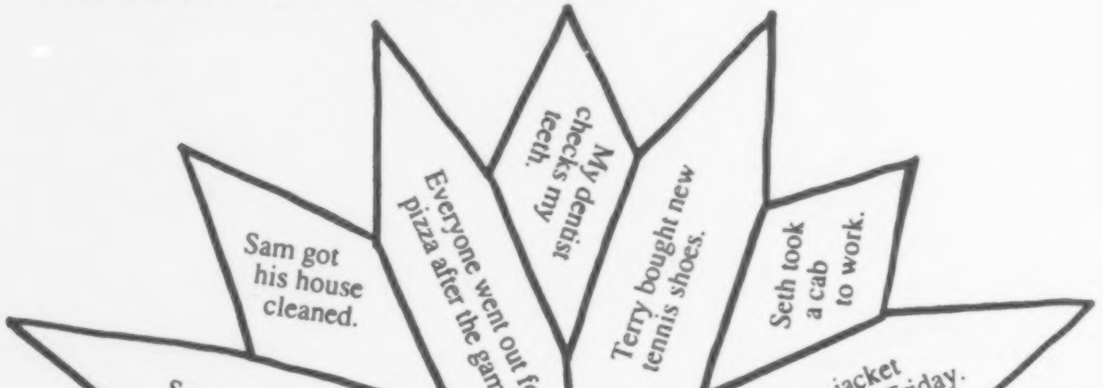
Name ______________________________

Goods and Services Flower

Neighborhood shops supply either goods or services. Stores that supply goods include drugstores, hardware stores, grocery stores, and shoe stores. The shopper leaves these stores, and shoe stores. The shopper leaves these stores with something he did not come in with. These things are called goods. He spends his money for the shop's goods.

Dry cleaners, beauty shops, and repair shops are stores that supply services. The shopper spends his/her money for a service. He pays someone else to **do** something for him. She may leave the shop with something of her own, but it may be in better condition than it was before the shop serviced it.

Directions: Read the sentence in each block. If it describes a good being bought, color it yellow. If it describes a service being bought, color it green.



My dentist checks my teeth.

Terry bought new tennis shoes.

Seth took a cab to work.

Mom's new jacket was drycleaned Friday.

Jill had her yard mowed.

Linda cut Jennifer's hair at Heads-Up.

John got popcorn at the game.

Steve sent flowers to his mother for her birthday.

Mom's watch was repaired.

Mother bought dough-nuts for breakfast.

Mark got gas for his car.

Dad's truck needed a tune-up so Andy fixed it.

Bob got a skate-board.

Susan took her car to Car Wash Heaven.

Sam got his house cleaned.

Everyone went out for pizza after the game.

Attachment C

How Many?

The children in Mrs. Rose's class made a chart to tell the number of goods and services they purchased. Add or subtract to help the class complete the chart.

Name	Goods	Services	Total
Susan	3		10
Diane	2	4	
Dianna		2	7
Tom	0	1	
Lana		4	9
Kay		0	3
Brian	5	5	
Jan	4		8
Pat	0	2	
Bill	2		5
Jo	4	6	
Bob	5		5
Harry	1		2
Sam		3	4

Grade Level: **Second**

Concept: **Choices**

Teacher Terms

Scarcity requires people to make choices about using goods and services to satisfy their wants.

Student Terms

Since you cannot have everything you want, you must decide what things you want most and what things you will give up.

Objectives

The second grade student will be able:	**to state why he/she must decide what things he/she wants most and what things to give up.**

Resource Materials

- Chairs
- Music: Suggested Economics Revue by Howard R. Yeargan
- Tape recorder
- Hats
- Candy
- Catalog
- Calculators
- "It's a Second Grade Camp-Out!" (Attachment A)
- "Decisions, Decisions, Decisions" (Attachment B)
- 3 x 5 cards with pictures of goods (two each) (teacher-made or from worksheet)
- Restaurant menus
- "My Scarcity Story" (Attachment C)

Focus

1. Play musical chairs using the song "Economics Is" from Economics Revue by Howard Yeargan. Learn the lyrics as you play the game. Arrange chairs back-to-back in the center of the room with enough for all students but one to have a chair. Play music and have students walk around the chairs while the music is playing. When the music stops, everyone sits down; one will be left standing. Have that student stand aside. Pull a chair out and then continue the music with students walking around the chairs until the music stops. This will continue for as long as the teacher wants. The students will begin to realize the concept of scarcity. Chairs are scarce! Discuss.

2. Sing the song "Economics Is" (It may be sung as a round):

Economics is the science concerned with scarcity;
using scarce resources with utmost efficiency.
After you have studied it , I'm sure that you'll agree.
Economics is the science concerned with scarcity.

3. Pass out a few hats or candy for only a few students. Talk about the fact that there were too few to go around. Talk about scarcity.

Modeled and Guided Practice

1. Review the scarcity definition. Then read the following story or make copies for students to read:

Mark's eighth birthday is next week. He has been making a list of all the things he would like to do with his friends. He can't decide if he wants to take his friends roller-skating, to a movie,

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or to the park. Finally, he realises he can't do everything he wants for his birthday party. It would cost his family too much money. After a lot of thought, Mark decides that he either wants to have friends over for ice cream, birthday cake, and games OR he wants to have a big pizza party at the Pizza Palace. His mother says: "Last year we spent $24 on your birthday party. We can only afford to spend the same amount again this year. Last year you had 12 friends over for ice cream, birthday cake, and games. That will still cost $2 for each person. A pizza party will cost $4 for each person. In that case, you will only be able to invite six friends. It's your choice."

Mark decides to talk things over with his friends before making plans for his party.

Discuss the following questions with the class:

a. What are some of the things Mark wants to do for his birthday?
b. How many friends does he want to invite?
c. Which would be the best choice?
d. Which would you choose if you were Mark? Why?

2. Review the scarcity definition. Tell the class that they are going to imagine going on a class camp-out this weekend. Brainstorm to understand the camp-out idea. Students must decide what they want to take and what they cannot take for a camp-out, keeping in mind the scarcity of space for packing. Have the students use "It's a Second Grade Camp-Out!" (Attachment A) and decide what to pack. Discuss other scarce things that may be found at the camp-out (water, electricity, music, etc.).

3. Divide students into groups which will each put together shapes to form three pictures. Supply each group with cut out shapes that assembled will complete a picture (e.g., shapes to form pictures of a house, a flower, a car); however, supply only enough parts to make two complete pictures but not enough to complete the third picture. Discuss what is scarce and what is needed to complete the pictures.

Independent Practice

1. Have students go through catalogues and make lists of items they want. Then give each student $100 in play money to spend. Tell them to decide which things they could buy and which things they would have to give up. Calculators may be used. Have students explain orally reasons for their choices. What things did they have to give up? Why are they unable to have everything they want?

2. Give the class $100 in play money to plan a party. Divide the students into groups and have each group plan a party. What goods and services would they like? Have each group share its idea with the class and have the class vote on the favorite.

Evaluation

1. Given a list of 20 goods and services and a pretend $10 bill, each student will select the goods and services he/she wants most, explain the choices to a partner, and cite scarcity as the reason why he/she had to make choices (Attachment B).

2. Have students sit in a circle and pass an object around the circle as music plays. When the music stops, the student holding the object will tell about a scarcity situation. For example: At breakfast there were four people and only three eggs.

3. Read number problems to students such as:

Mary had a birthday party and five children came. Mary's mother had purchased four balloons for the party. The students respond by raising hands or show scarcity cards if they think a scarcity exists. Students' responses should be discussed.

Extension

1. Explain how a sales tax chart from your community can be used to make purchases more exact. Explain, with the use of a calculator, how added costs like postage and handling might also affect choices.

2. Other activities might include using local restaurant menus and having students spend no more than a certain amount. Have students explain why they can't have everything they want.

3. See "My Scarcity Story" (Attachment C). When introducing the scarcity story, analyze the diagram with the students. Then read Old Mother Hubbard and discuss the scarcity. Put the story into diagram form. Make up a solution to the problem. Pair the students to produce their own silly stories which they will recite at the end of an assigned time frame. Then have each student create his/her own silly scarcity story. (Suggestions: Hansel and Gretel, The Old Woman in the Shoe, Tom, Tom the Piper's Son, Jack and Jill or even The Wizard of Oz.)

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "The Bug," pp. 9-11
    - "One-String Rule," pp. 13-14
    - "What Do You Choose?" p. 18
    - "Price War," p. 19
    - "Twenty Questions," pp. 19-20
    - "Class Meetings," pp. 20-21
    - "Wheels, Wheels, Wheels," p. 63
    - "What Should We Do?" p. 64
    - "A Purchase for Our School," pp. 46-47
    - "The City Game," p. 47
- "Children in the Marketplace," Grades 3-4, Lessons 1 and 2, Primary Film Series
- The Economics Revue, Words and Music by Howard R. Yeargan. Use "Economics Is," Verse 1
- "Econ and Me," video, 1-Scarcity
- "Winnie the Pooh and the Value of Things," 3, filmstrip/video
- "Play Dough Economics," Lesson 3-Scarcity
- Old Mother Hubbard
- Three Billy Goats Gruff

Attachment A

Name ______________________________

It's a Second Grade Camp-Out !

An adventure-filled second grade camp-out awaits you this weekend! Don't forget to pack your dinner, sleeping gear, and breakfast. We will leave at 2 p.m. and hike for two hours. Opportunities are available for swimming, hiking, exploring, and fishing. After dinner, we will have stories and quiet time. Everyone will be in their tents and sleeping bags by 8 p.m. Rise and Smile at 6 a.m. After breakfast, we will pack and return to school by 9 a.m. **Remembe you will carry your own backpack**. Because of a scarcity of space, all your items for the camp-out must fit into the one backpack you will carry.

SUPPLIES NEEDED

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________
7. ______________________________
8. ______________________________
9. ______________________________
10. ______________________________

SPACE SCARCITY

Things I would like to take but
do not have the room to carry in my backpack

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________
7. ______________________________
8. ______________________________
9. ______________________________
10. ______________________________

Attachment B

Name______________________________

DECISIONS, DECISIONS, DECISIONS

You have been given $10.00 by your Aunt Jane. How are you going to spend it? Put a check by the things you would like.

_____1. Tennis lessons - $5.00/hour

_____2. New baseball - $5.00

_____3. New tennis balls - $5.00

_____4. Renting a video - $2.50

_____5. New T-shirt - $7.50

_____6. Going to movie - $5.00

_____7. Going skating - $2.50

_____8. New sunglasses - $5.00

_____9. Socks - $2.50

_____10. Earrings - $5.00

_____11. Gum - $1.00

_____12. Ice Cream - $1.00

_____13. Haircut - $7.50

_____14. Book - $5.00

_____15. Shoelaces - $1.00

_____16. Hair ribbons - $2.50

_____17. Watch - $10.00

_____18. Ring - $5.00

_____19. Bracelet - $3.50

_____20. Puzzle - $5.00

MY CHOICES	COST
________________________	__________
________________________	__________
________________________	__________
________________________	__________
TOTAL	__________

OPPORTUNITY COSTS

(Things you wanted but couldn't

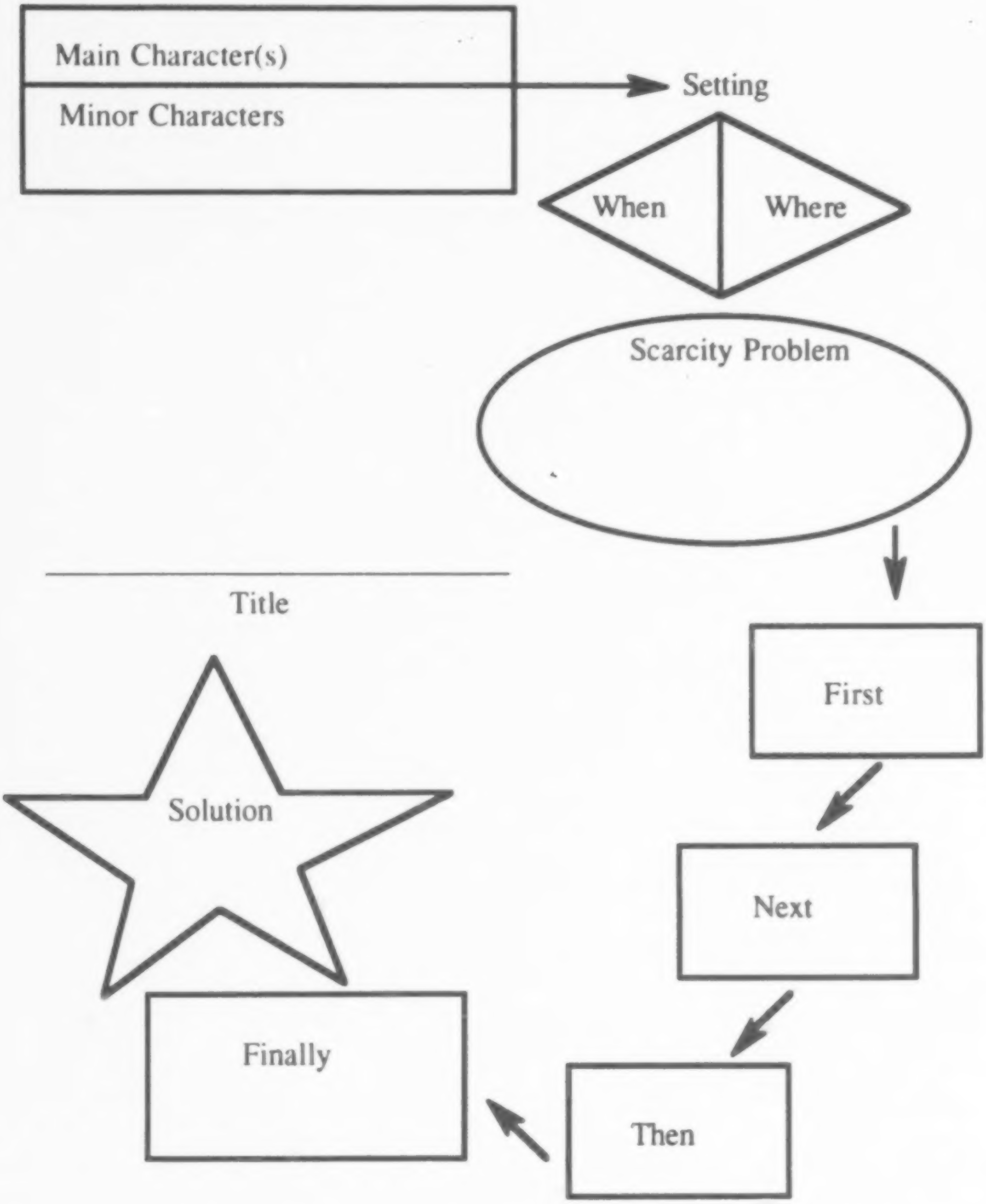
afford because of the scarcity of money)

________________________	__________
________________________	__________
________________________	__________
______________ __________	__________

Attachment C

My Scarcity Story

By____________________


Main Character(s)
Minor Characters
Setting
When
Where
Scarcity Problem
Title
First
Next
Then
Finally
Solution

On another piece of paper, write your own scarcity story using the scarcity story chart.

Grade Level: **Second**

Teacher Terms

People exchange goods and services voluntarily because they expect to be better off after the exchange. The most primitive form of exchange is barter - the direct trading of goods and services between people, without the use of money.

Concept: **Exchange**

Student Terms

When two people trade because they want to, they both think they will gain from the trade. Barter is trading goods and services without using money.

Objectives

The second grade student will be able: **to trade goods for goods.**

Resource Materials

- One large and two small beads, sticks, pieces of chalk, etc.
- "Barter's Reader's Theater" (Attachment A)
- "Barter and Money Exchange" (Attachment B)
- "Barter Worksheet" (Attachment C)
- Items to barter (candy, stickers, fruit, etc.)
- "History of Money" (Teacher Information) (Attachment D)
- The Fisherman Who Needed a Knife
- "Winnie the Pooh and the Value of Things," Filmstrip #1
- Jack and the Beanstalk

Focus

1. Explain the term "barter": When two people trade because they want to and they both expect to gain. Bartering is trading goods and services without using money. When people first came to America from Europe, they didn't have a lot of money. Many people came from different countries, and the money they had was different from other people's money, so they would trade goods and services. A person who was good at making shoes could make more pairs of shoes than he needed, so he might trade the extra shoes for a wagon or medicine or chickens. The people would barter, or trade, usually after playfully arguing with each other to try to get the best deal." For example:

FARMER'S WIFE: "I'll give you a nice, fat chicken for that fine pair of shoes!"

SHOEMAKER: "For THAT chicken HA! Besides, you must have plenty of chickens with as many eggs as I've seen you bring in. I've worked two weeks on that pair of shoes! I want four chickens, at least!"

FARMER'S WIFE: "O.K. You drive a tough bargain. I'll give you three chickens and no more!"

SHOEMAKER: "Sounds great! One chicken will make me a fine dinner and the others will lay plenty of eggs for my breakfasts! Here are your shoes. I hope you enjoy them!"

2. Show the filmstrip #1 of "Winnie the Pooh and the Value of Things" and discuss the simple barter situation depicted or role play the situation from the film.

3. Read to the class The Fisherman Who Needed a Knife and discuss the barter system that took place in the story.

Modeled and Guided Practice

1. Role play bartering by having students exchange goods. Show something of value (beads) to the children. One child will voluntarily exchange two small beads for one large bead. Show the exchange and tell why the one large bead has more value than two small beads. Make sure the children understand they are trading or bartering. Ask the children to describe in their own words what they have just seen.

2. Have students list the occupations and place in a hat. Draw occupations, tag students with the occupations drawn. Discuss with the class whether ALL the needs of the group could be met with barter just between their classmates. For example:

   a. "Could a worker, who is a dentist, get a hair cut by cleaning someone's teeth?" The child answers: "No, I don't want to have my hair cut in exchange for teeth cleaning. There is more value in teeth cleaning than there is in a hair cut. If the worker answers yes and agrees to exchange the service of teeth cleaning for four hair cuts, bartering is occurring."
   b. "Could a worker, who is a cook, get a car repaired by cooking supper?" The child answers: "The mechanic will not exchange supper for car repairs. There is more value in car repair than in cooking supper. If the worker agrees to cook for the mechanic's family reunion of 50 people, the mechanic will agree to repair the car. This is bartering."

   After a discussion on the beginning activities, lead students into the understanding that barter is people's oldest form of exchange . When money became a method of exchange, it replaced the pure barter system in most civilizations.

3. Present a production of "Barter's Reader's Theatre" (Attachment A).

4. Read and discuss the trade in Jack and the Beanstalk.

5. Group students in teams of five or six. Give each student a small bag containing one item. Allow students time to view the item and to decide if they want to keep the item or exchange with members of another team. Allow time for trade and then have students return to seats to discuss exchanges made. Did everyone get what he/she wanted?

Independent Practice

1. Have students talk to adults about any bartering that their families may have participated in. Emphasize the fact that people exchange goods and services voluntarily because they think they will be better off after the exchange. Have students write these examples down to share with the class. Decide if both parties were better off.

2. Have students select examples of voluntary exchange from a list. Tell if it is an example of barter or not. See "Barter and Money Exchange" (Attachment B).

3. Draw cartoons or create stories about money and exchange. For example: Jane has a doll and wants a ball. Jeff has a ball but doesn't want a doll. Ellen wants a doll, but doesn't have a ball.

Evaluation

1. Students will state the difficulties involved in bartering after engaging in the following activity. Explain to students that each will be given something he/she can trade. Distribute a number of different items in varying quantities to member of the class (e.g., five pieces of candy, two pencils, four cookies, one apple, etc.). Ask the students to identify which of the items distributed they would like to have most and then attempt to trade with the person who has the item.

2. Students in groups will plan and demonstrate a barter situation or to demonstrate a buyer scene with money as the medium of exchange then compare the two.

3. Students will use play money to illustrate transactions involving addition and subtraction.

4. Students will complete "Barter Worksheet" (Attachment C).

Extension

1. Ask students if they ever have any money. Why do they decide to buy the things that they do with it. Are they better off after the exchange? Have them make a record of purchases for the week of the things they have bought. At the end of the week have them decide if they were wise choices. Read Alexander, Who Used to Be Rich Last Sunday by Judith Viorst and compare your purchases with Alexander's for a week.

2. Read and discuss the "History of Money" (Attachment D).

Additional Resource Materials

- Exploring the Community Marketplace, Lessons 7, 8, and 9
- Jack and the Beanstalk
- "Lifegames," Section 4 (whole section)
- "Play Dough Economics," Lessons 5, 6, 7, 8, 9, Primary Film Series
- Primary Economics, 3
- MCG Teaching Strategies, Primary Level

"Matching," p. 104	"Rummy," pp. 110-112
"Silly Trades," p. 107	"Will You Trade?" p. 122
"Occupation Concentration," pp. 107-109	"The Trading Fair," pp. 122-123

- Alexander, Who Used to Be Rich Last Sunday by Judith Viorst
- The Fisherman Who Needed a Knife by Marie Winn
- "Winnie the Pooh and the Value of Things," Filmstrip 1

Attachment A

BARTER'S READER'S THEATER

CHARACTERS: Narrator, Smart Farmer, Wise Weaver, Lovely Homemaker, Busy Beekeeper, Handy Craftsman, Hungry Villager

NARRATOR:	A long time ago there was no money in our city, our state, our country, or the world. People didn't need money. They got everything they needed by trading things. The people in Egypt many thousands of years ago traded things. They traded some of the things they didn't need for other things they did need.
Smart Farmer:	"I have some extra corn. Could you use it?"
Wise Weaver:	"Thank you. Here is some beautiful silk cloth."
NARRATOR:	The people who lived in Greece many thousands of years ago traded things, too.
Lovely Homemaker:	"Will you give me that jar of honey if I give you some figs?"
Busy Beekeeper:	"Yes, I'll trade with you. Take the honey, but give me all the figs in your basket."
NARRATOR:	There is a special name for this kind of trading. The name is barter. Most of the time, barter was a good way of getting things. There was one trouble with barter, though. What happened when you had something to trade but nobody wanted it?
Handy Craftsman:	"I have just made this fine pair of leather sandals. Will you give me some eggs for these sandals?"
Hungry Villager:	"I don't want any sandals. But if you have a bunch of bananas I'll trade with you. I have some ostrich feathers."
Handy Craftsman:	"I don't have any bananas and I don't want ostrich feathers."
Hungry Villager:	"Sorry. I have no need for sandals. I am hungry."
NARRATOR:	Sometimes trading did not take place when no one needed the goods offered to be exchanged.

Attachment B

Barter and Money Exchange Worksheet

Name ______________________________

Teacher Directions: This is a small-group activity.

Give cards with situations describing both barter and exchange for money. Have students read them to the class and tell what the people are exchanging. Do you think both parties are better off? Examples would be:

Judy offers to babysit for Mrs. Jones in exchange for a hair cut.

Steve mows Mr. Smith's yard for $5 per week.

Mary gives Nancy $5 per week to drive her to school.

Nancy gives the gas station attendant $5 for gas.

John chops firewood for Mr. Thomas so that he can use his new fishing pole in Mr. Thomas' pond.

Wendy offers to teach Ginger a game in exchange for some of Ginger's candy.

Mr. Mills teaches his daughter to drive. She offers to take her brother to school for him.

Rick trades his sandwich for Ron's taco.

For $1, the "Movie House" will let children under 10 years of ages in to see the movies.

Mrs. Jones grows tomatoes and Mrs. Morrow grows cucumbers. They trade a pound of tomatoes for a pound of cucumbers at harvest time.

Attachment C

Name ______________________________

BARTER WORKSHEET

Read the following stories and answer the questions. CIRCLE YES OR NO.

1. Martin builds snowshoes and lives in Alaska. Susan makes wax to use on her Surfboards in Hawaii. Martin offered to trade a set of snowshoes for a case of wax.

   a. If they swapped, would it be bartering? YES NO
   b. Would it be voluntary? YES NO
   c. Would they be better off after the trade? YES NO

2. Mrs. Hall broke her leg and needs someone to mow her yard. She knows how to knit sweaters. She has offered to teach Janet how to knit if she will mow her yard. Janet has always wanted to learn how to knit and mows her own family's yard once a week.

   a. If they swapped, would it be bartering? YES NO
   b. Would it be voluntary? YES NO
   c. Would they be better off after the trade? YES NO

3. Steve drove too fast and had to pay a $50 fine.

   a. Was there an exchange? Was it voluntary? YES NO
   b. Would this be bartering? YES NO
   c. Are the two parties better off after the trade? YES NO

4. Mary makes bracelets from colored string in her spare time. Her friends all want one. They offer to pay her way to the movies if she'll make them all one.

   a. If they swapped, is she bartering? YES NO
   b. Would it be voluntary? YES NO
   c. Would they be better off after the trade? YES NO

5. Susan wants to see the movie, "Dogs." Jennifer has a tape of the movie, but Susan doesn't have a VCR to show the movie on. Jennifer offers to loan Susan a VCR and the movie if she can borrow her skateboard for the weekend.
   a. If they swapped would it be bartering? YES NO
   b. Would it be voluntary? YES NO
   c. Would they both be better off after the trade? YES NO

6. Now you make up a bartering story. Are you characters better off after the trade?

THE HISTORY OF MONEY

What if you had something that everyone wanted? Then it is easy to make a trade. A long time ago, you could always make a trade if you had a dairy cow.

Business Woman: "I have some nice sharp knives."

Dairy Farmer: "If I give you this nice fat dairy cow, will you give me those nice sharp knives?"

The Business Woman thinks, "The people around here are always looking for nice fat dairy cows. I'm sure I can trade this dairy cow for something I want."

Business Woman: "Here are the knives. Thank you."

The Dairy Farmer thinks, "I wonder why she'll take my cow. She says she doesn't need a dairy cow."

Dairy Farmer: "Here is the cow."

Animals weren't the only things people used for money a long time ago. In some countries, people used salt for money. Everybody wanted salt for their food. In Rome, the soldiers were even paid in salt! In some countries, people used little shells for money. They were called cowie shells. You could put them on a string and wear them around your neck. They were supposed to be lucky.

In some places, people used spades and shovels and knives for money. People needed these tools for their crops and animals. But there was one problem with the things people used for money.

What if the cows, pigs, goats, sheep...got sick?
What if the salt got wet - and washed away?
Then what could people use for money?
What if the tools got broken?
What if the corn or grain spoiled?

After a while, people found better things to use for money. They began to use pieces of metal: copper, bronze, iron, gold, and silver.

A piece of metal wouldn't get sick.
A piece of metal wouldn't wash away in the rain.
And you could carry your metal money around with you.
A piece of metal wouldn't spoil.
A piece of metal wouldn't get broken.

You could make pots and tools and other useful things out of metal. You could make beautiful necklaces and rings and bracelets, too. When people began to use metal for money, they used all sizes and shapes of metal. They used lumps of metal and chunks of metal and bars of metal. How much could you buy if you had a chunk of copper? The heavier your chunk of copper was, the more you could buy with it. But did you know how heavy it was? You had to weigh it. When somebody gave you a piece of metal, you weighed it. When you gave somebody else a piece of metal, the person weighed it. That way, nobody cheated anybody. The metal was weighed every time a person gave another person some copper, bronze, iron, gold, or silver. Weighing the metal was a lot of trouble for everyone. Just think what it would be like if the clerk in the grocery store had to weigh your money every time you bought some cookies. At last a woman had a great idea. This is what they decided to do: A woman would weigh a piece of metal once and put a mark on it to show how much it weigted. After that, the metal would not have to be weighed again. That piece of metal is now called a coin. Everybody could look at it and see how much it was worth.

One day, almost 3,000 years ago, the King of Lydia made a new law. The King said that the people of Lydia were not allowed to weigh their own metal and mark. The King's men were the only ones who had the right to make metal into coins. The King's money was the first real money people ever had. It was made by the government, just like our money is today. In Lydia it was against the law to make your own money. Any person who tried would get into trouble.

About 350 years ago, some people came from England to live in America. When they lived in England, they used metal coins. But when they came to settle in America, they did not bring many coins with them. And the King of England wouldn't let anyone make coins in the American colonies. So the settlers didn't have much money. But they found ways to get the things they needed.

Wig Maker: "If you will make shoes for my horse, I will make you a new wig."

Blacksmith: "Good. I need a new wig."

They used corn for money and they used cows for money. They used beaver skins for money and they used tobacco for money. They used fish and peas and wheat for money. And they used nails and bullets for money.

They even used these things to pay their bills and to pay their taxes. People almost always tried to pay their taxes with the skinniest cows they had.

Farmer: "I've come to pay my taxes for 1776. Here's my cow."

Tax Collector: "Do you call that a cow?"

In the American colonies, the settlers used little beads from shells. The shell beads were called wampum. Wampum was what the Indians used for money. Six white beads were worth about a penny. Black beads were worth twice as much as white beads. If you had wampum, you could buy beaver skins from the Indians. You could also buy things from other settlers. The Indians made wampum out of clam shells and periwinkle shells. They strung the wampum beads on thin strips of deer hide. The Indians made beautiful belts and bracelets out of wampum too. The settlers used French coins and Dutch coins and English coins and Spanish coins. They got some of the coins by selling fish and flour and lumber and furs to other countries. They got some of their coins from the pirates. The pirates came to buy food for themselves and tar and pitch and turpentine for their ships. They paid the settlers with the gold and silver coins they took from other ships at sea.

Again and again the settlers asked the King of England to let them make their own money. Every time he said no. He said it was against the law for the settlers in the colonies to make their own money. The settlers did not like the King's law about money. They didn't like some other laws either. They decided they did not want the King of England to make any of their laws. They wanted to make their own laws. So the colonies had a war with England. It was called the American Revolution. The colonies won the war. That was more than 200 years ago. After the war the colonies did not belong to England anymore. They were states. Now they could make their own laws.

Soon the people in the United States had their own coins made by the new government. The U.S. government made the coins, but for a long time it let the banks make the paper money. Today the government makes all the money--all of our coins and all of our paper money. If anyone else tries to make coins or paper money, that person gets into trouble.

The U.S. was not the first country to use paper money. People in China used paper money long before any settlers came to America. China was ruled by an emperor, and only the emperor's men could make paper money. If anyone else tried to make paper money, that person was in trouble. Children use money to buy yogurt. They use it to buy presents for their friends. Sometimes they use it to buy lunch. Grown-ups use coins and paper money, too. But they also use checks and credit cards. Checks and credit cards are things that people can use instead of the money the government makes. A check is like a little letter to the bank. It tells the bank to give some of your money to someone. But you can only use a check if you have money in the bank. A credit card is something people use when they want to pay later. Many people use credit cards to buy gas for their cars. They don't have to pay for the gas right away.

Some people feel like they are getting things free when they use a credit card. That isn't true at all. Even with a credit card, you have to pay for the things you buy. Sometimes you have to pay extra when you use your credit card. The extra money is called interest. We use money for money. We use checks for money. We use credit cards for money. But even today, do children still barter to trade?

Grade Level: **Second**

Concept: **Markets**

Teacher Terms

Markets exist whenever buyers and sellers exchange goods and services.

Student Terms

Markets are places where people can buy or sell goods and services.

Objectives

The second grade student will be able: **to state the definition of a market.**

Resource Materials

- Map of community (optional)
- "Class Market Survey" (Attachment A)
- List of businesses from Chamber of Commerce (optional)
- "Tele-Marketing Reader's Theater" (Attachment B)
- "Community Interview" (Attachment C)
- Communityville maps (Attachments D-F)

Focus

1. Use the following to promote class discussion:

"A market is a place where people can buy or sell goods and services. We may think of a 'supermarket' or 'to market, to buy a fat pig,' but a market is much more that. Markets are the way people get in touch with one another to buy or sell goods and services. Have you ever ordered pizza over the telephone or bought something else over the telephone? There are products sold on television that you can call and order. That is called tele-marketing. Have you ever bought something through newspaper ads? That is a market. A student who babysits or mows lawns has a market in which services are exchanged for money in the neighborhood."

"Many products are made in factories and sold in businesses in the community. Where is the market? (where the buyer exchanges money for the goods) If the buyer wrote the factory and ordered the product through the mail, sent the money to the producer, and was shipped the product through the mail, where is the market? (the postal service) The way that the buyer and seller get together is the market. Usually it is by going into a place of business and purchasing the product, but nowadays the market can be anywhere we want it to be."

List several ways people can buy and sell goods and services and ask students where the market is.

2. Provide several items and pictures of goods and services with actual prices on back. Play a game of "Guess the Price." The actual price should be on the back of the item. The students guessing the price closest to the actual price are the winners.

Modeled and Guided Practice

1. Introduce the Class Market Survey (Attachment A). Explain that we are planning to find where our class usually purchases the goods and services that we need or want. "Remember the market may not be a place. It could be a catalog or the phone."

   Obtain from the Chamber of Commerce a list of local businesses (or make up the list yourself). Discuss with the class what goods or services are available at these businesses (one type of market). "Is there more than one place in the community that we can buy milk, clothing, gasoline, or a haircut? What would make one person want to go to a certain market and another person want to go to another one?" (prices, brand names, environment of building, personnel working there, location, etc.)

   Begin the Market Survey together. Have each student write down the name of the market through which he/she last bought a pair of jeans. "It could be a place in the community or through a catalog or a garage sale ad in the newspaper." After everyone has put down an answer, find out where most of the students bought their jeans. Continue the Market Survey in class as much as possible, but it will probably need to be finished with help from home.

   When the class members have returned their Market Surveys, post them on the bulletin board (without names) for the class to look over. With help from the class, decide on the class' "Most Popular Markets."

   "People often advertise their markets to try to get more business." Explain to the class how businesses buy space in a newspaper or a magazine or time on television to let people know about their market. "What things would a business want to put in an ad to tell the consumer about the market?" If possible, find out the costs of these forms of advertisements and ask the students why they think businesses will spend that much money to advertise. Is everything in an advertisement true?

2. Role-play the Tele-Marketing Reader's Theatre (Attachment B). Have students create their own tele-marketing scenes to present to the class.

Independent Practice

1. Assign each student a part of the Class Market Survey (Attachment A) and have them find out why the class chooses to use that market the most. For example, why do most of the classmates like to order pizza over the phone and have it delivered? The students need to find out the prices of pizza that is delivered and that is served in restaurants. They should talk to employees and find out what they do to make their pizza place popular. They should do as much research as possible and share with the class. Or, they could find out why most people like to get their hair cut at "Hair Happening," etc. The students need to be reminded that the report needs to contain facts, not opinions, and needs to be written in complete sentences into a nice paragraph. These reports need to be written, edited, and rewritten to be displayed for the class itself to read, or they may be compiled into a booklet with copies sent to the establishments. To coordinate with the student reports, each student could design an advertisement to tell people about the market studied. Include these in the booklet or with the displayed paragraphs.

2. The class may design a classroom mall. The mall could display a collection of the class' favorite markets (with headquarters designed for the tele-marketing, etc.), or it could be a fantasy mall with everything students think the perfect mall would have. The display could be posted on the bulletin board, or it could be made three dimensional by transforming boxes into

stores. What would happen if four pizza places were put in the mall? What would make one pizza place do better businesses than another?

3. The class may build a miniature town of marketplaces using refrigerator-size boxes and other large boxes. Students could practice buying, selling, and advertising. Suggest that they watch how a dollar bill can be passed from store to store as market owners become consumers again and again.

Evaluation

1. Students will answer such questions as the following: 1) "If you went to the grocery store and bought two pieces of candy for five cents each, is that a market? 2) If Mrs. Jones bought her son John a soft drink at the drug store, is that a market? 3) If two farmers sold tomatoes at a roadside stand to Mr. Washington, is that a market? 4) If Mrs. Flores had a tooth pulled at the dentist's office, is that a market?"

2. Given the name of a good or a service, students will list where the good or service can be obtained (store, mail order, phone order).

3. Students in groups will decide what product or service they want to market and will present to the class their ideas for marketing the product.

Extension

1. If the students know some individuals who have been in the community for many years, have them find out what changes in marketing have been made in the community in the last 10 to 50 years. Invite these persons to talk to the class. The students' interviews may be taped and then written into a report. If the students are to go out and interview (Attachment C), review with them some tips that will help make them good reporters:

   Interview Tips: Listen carefully and ask questions. Write down a few words if you are taking notes; don't try to write down every word. If you are using a tape recorder, know how it works and have it ready to use as soon as you get there.

   Don't take very long. These people may have other things to do. However, if they want to tell tales of long ago, be attentive and listen. Be sure to thank them for their time when you leave.

   Write the report as soon after the interview as possible while the information is still fresh. Read it over. Edit. Rewrite it.

2. Carefully study the maps of Communityville A Long Time Ago, Communityville Growing, and Communityville Today (Attachments D-F). Notice how the changes are made as the town grows. Are there different market places? After researching your community, compare the growth Communityville has had to that in our own community. Make a list of ways that the natural resources and the capital resources have changed with time. Do you think that there would be any change in available labor resources? Can we predict what our community may be like five years from now? For example, "Exploring the Community Marketplace," p. 30.

Ways Communityville Has Changed

Natural Resources	**Capital Resources**
Oil has been discovered. The lake dried up; low land now exists.	An oil well was built. Added buildings include a library, hotel, gas station, clothing store.
Trees were cut down to make way for the sawmill and fire station.	
	Streets have been widened. A bridge has been built over the river. A ball park by the school has been added.

3. Play the "Guess the Price" game mentioned as a motivational activity and allow students to subtract to determine the winners who came closest to guessing the price.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level
    - "The Money Chain," pp. 15-16
    - "Crazy Sentences," p. 16
    - "Twenty Questions," pp. 19-20
    - "Class Meeting," pp. 20-21
- MCG Using Economics in Social Studies Methods Courses
    - "In the Market," pp. 65-68
- "Children in the Marketplace," Grades 3 and 4, Lesson 5
- "Exploring the Community Marketplace," Lessons 5, 8 and 23
- "Lifegames Section," 4, 11, 17, 18
- "Winnie the Pooh and the Value of Things," 6
- "Play Dough Economics," Lessons 11, 12, 13

Attachment A

Class Market Survey

Answer each question with only one marketplace (your favorite). You can get help from home on this.

Where do you buy your...

blue jeans? ______________

tennis shoes? ______________

milk? ______________

toothpaste? ______________

bicycle? ______________

pencils? ______________

gum or candy? ______________

Where do you like to go out and eat...

hamburgers? ______________

pizza? ______________

ice cream? ______________

doughnuts? ______________

Where do you like to go for parties?

Where do you...

get your hair cut? ______________

get your clothes cleaned? ______________

go to see your dentist? ______________

go to see your doctor? ______________

get your car serviced? ______________

go to the movies? ______________

go swimming? ______________

What is your favorite game or toy?

____

Where did you buy your favorite game/toy?

____

____

Do you rent videos? __________

Where do you rent your videos? __________

Do you have cable TV? ____ ____

Where does a friend of your mother work? ______________________________

Are there any places in our community that you haven't been to that you would like to see? ____

What are they? ______________________________

Attachment B

Tele-Marketing Reader's Theater

Teacher Directions: For those students who are not aware of how tele-marketing works, role-play this dialogue:

Materials needed: Two telephones, two catalogs, and two chairs set up back to back.

Characters: Linda and Sam, the telephone clerk.

Scene One: Linda pretends to dial 1-800-BUY-THEM to order something (a want) from a catalog. Linda is reading from the catalog.

RING!

Sam: "Hello, *Buy Them* here, may I take your order?"

Linda: "Yes, I would like to order one number 703 dress, p. 14."

Sam: "What color?"

Linda: "Red."

Sam: "What size?"

Linda: "Small."

Sam: "Anything else?"

Linda: "Yes, a number 27B pair of shoes on p. 15."

Sam: "What size?"

Linda: "4."

Sam: "What color?"

Linda: "Red."

Sam: "Anything else?"

Linda: "No, thank you."

Sam: "Then your catalog order is one 703 red dress on p. 14 and one number 27B red pair of shoes on p. 15."

Linda: "Yes. How much is my total bill including tax, handling, and delivery service?"

Sam: "The red dress is $55. The red shoes are $21. The sales tax is 8%, which comes to $6.18. The handling and delivery charge will be $10. That makes the total $92.18."

Linda: "I love this shoppers' market *Buy Them!* It is so easy to shop on the telephone."

Sam: "Thanks for shopping at our tele-market!"

Linda: "When should I expect my merchandise?"

Sam: "We'll ship these out today, and you will receive them in a week or 10 days."

Linda: "Thanks."

Sam: "You're welcome. Call again."

Use the following after the tele-marketing activity:

Questions:

1. If you order on a Monday, when do you think both goods will arrive by mail service?
2. Write this problem on the board. Who can tell me how many more dollars would make $100?
3. Do you think you could buy this dress for less money in town?
4. Why would you shop on the telephone?
5. How much would you save if you didn't buy the red shoes?
6. How much would you save if you didn't buy the red dress?
7. How much would it cost if you ordered a blue dress and a red dress?
8. Do you think this is a bargain market?
9. Why would you use this market?
10. How many of you think these prices and additional charges are necessary? Why?
11. What jobs are involved in this product and delivery?
12. Is there an assembly line job in this product?

Attachment C

COMMUNITY INTERVIEW

Researcher's name ____
(your name)

I interviewed ____
(name of person interviewed)

Date of interview ____

Our class is studying the community. We want to learn more about the people and places in our community. May I please interview you?

Questions:

1. What goods and services does the ______________________ provide to the
(name of place)
people in our community? ____

2. What are your responsibilities? ________________________________
____

3. What materials do you use to do your job? ________________________
____

4. Do you advertise? How? _______________________________________
____

5. How do you depend on people in the community? ___________________
____
____

6. Why do you live or work in this community? _______________________
____

7. How long have you been in this community? _______________________

8. What changes have you seen? ___________________________________

9. What do you like best about our community? ______________________
____

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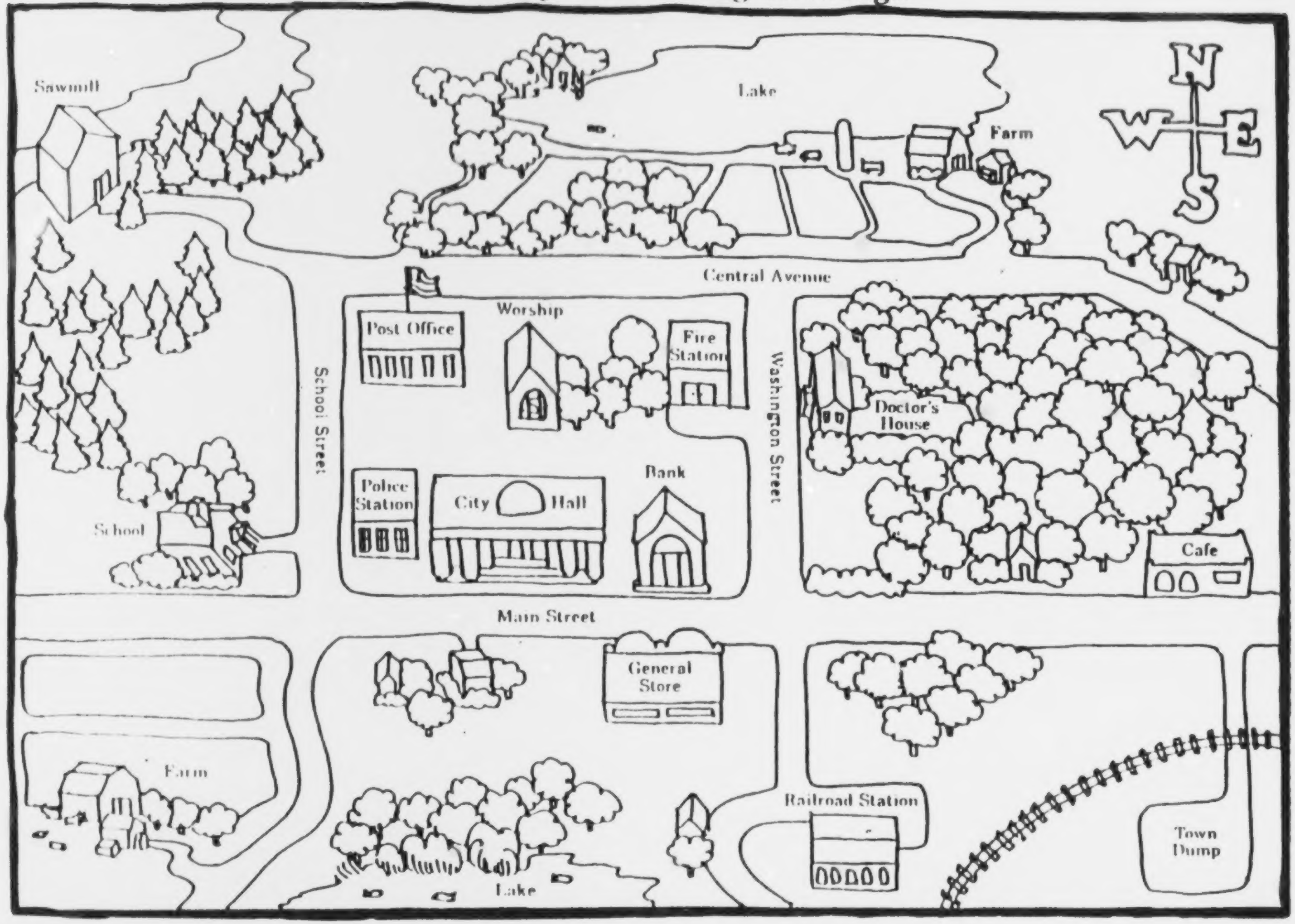
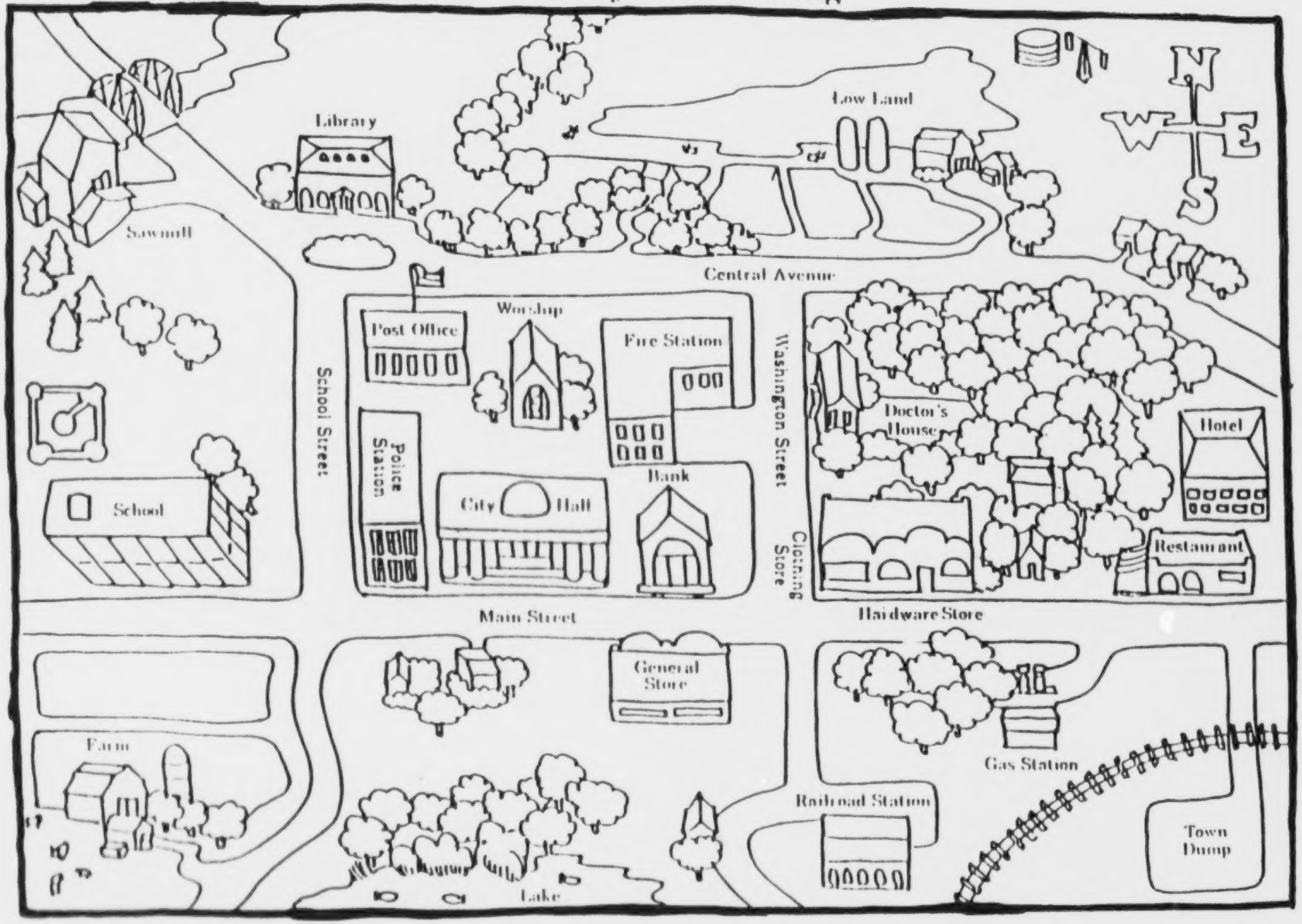
Attachment D

Communityville A Long Time Ago


Sawmill
Lake
Farm
N
W
E
S
Central Avenue
Worship
Post Office
Fire Station
School Street
Washington Street
Doctor's House
Police Station
City Hall
Bank
School
Cafe
Main Street
General Store
Farm
Railroad Station
Town Dump
Lake

Attachment E

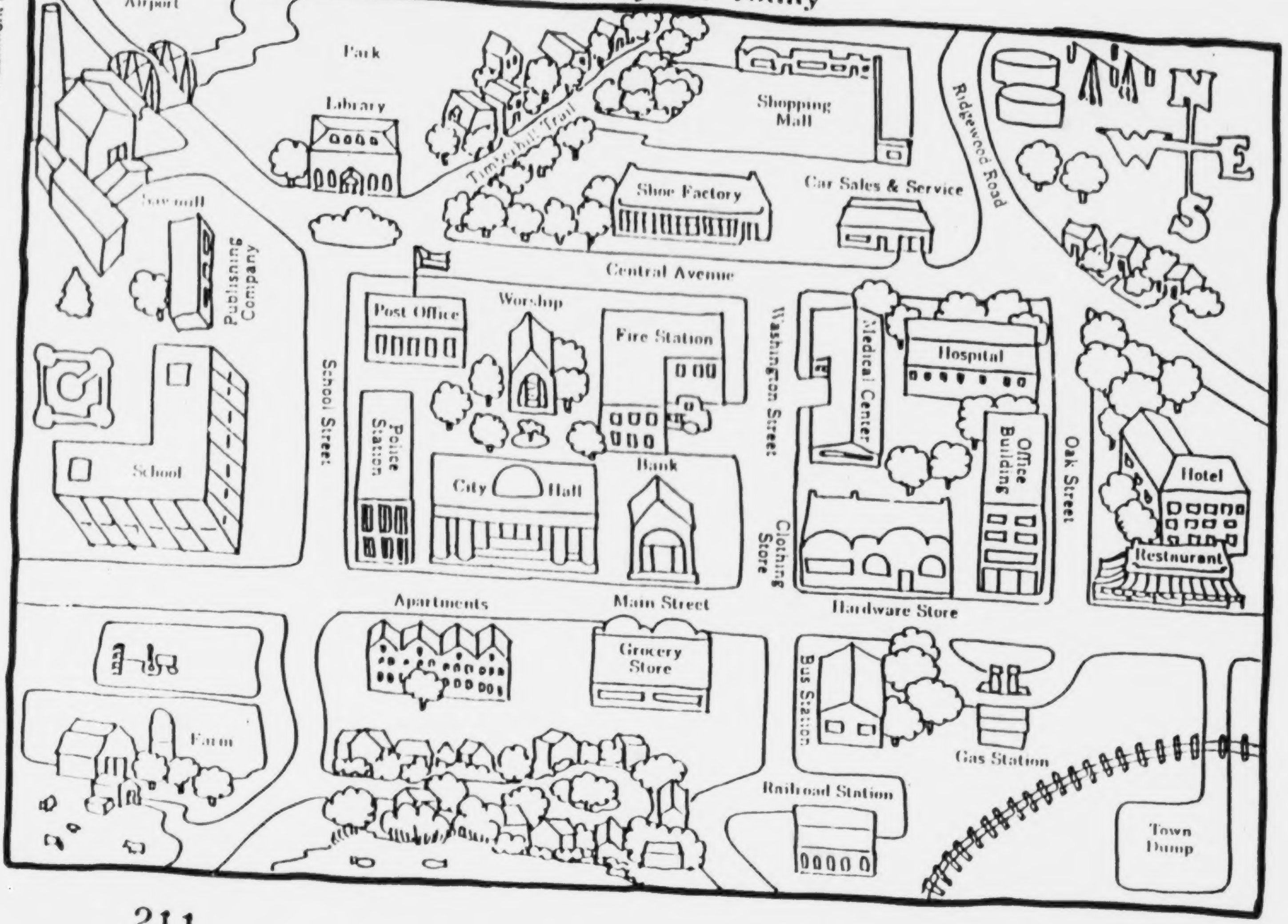
Communityville Growing



N
W
E
S
Library
Low Land
Sawmill
Central Avenue
Worship
Post Office
Fire Station
School Street
Washington Street
Doctor's House
Hotel
Police Station
City Hall
Bank
School
Clothing Store
Restaurant
Main Street
Hardware Store
General Store
Farm
Gas Station
Railroad Station
Town Dump
Lake

Attachment F

Communityville Today


Airport
Park
Library
Timberhill Trail
Shopping Mall
Ridgewood Road
N
W
E
S
Sawmill
Publishing Company
Shoe Factory
Car Sales & Service
Central Avenue
Post Office
Worship
Fire Station
Washington Street
Medical Center
Hospital
School Street
Police Station
School
City Hall
Bank
Office Building
Oak Street
Hotel
Restaurant
Clothing Store
Apartments
Main Street
Hardware Store
Grocery Store
Bus Station
Farm
Gas Station
Railroad Station
Town Dump

Grade Level: **Second**

Concept: **Market Competition**

Teacher Terms	Student Terms
A setting where sellers attempt to get buyers to purchase their products.	**How sellers try to get people to buy their products.**

Objectives

The second grade student will be able: **to illustrate how markets compete.**

Resource Materials

- Tape recording of commercial
- "Classy Class Restaurant" (Attachment)
- Magazines or newspapers
- Menus from various restaurants
- Price list from school cafeteria

Focus

1. Have a class discussion using the following ideas:
   "Markets are the ways people get in touch with one another to buy or sell goods and services. When two markets are selling the same goods or services, they often compete for the consumer's money. When a competitor sells a product or service for less money than another firm, we call this underselling. How do these competitors get the buyer to purchase goods or services from them?"

   The seller must make the consumer believe that the consumer needs or wants the product, that the price of the product is a fair price, that the seller makes the best product, or that the best place to buy the product is from this seller.

   The seller may try to convince the consumer to buy the product or service by advertising. Advertising may be through newspapers, magazines, radio, television, billboards, and signs; through the mail in the form of brochures, fliers, and catalogs; or in the phone book. Other forms of advertising can be through printed messages on things we use every day, like pens, bags, notepads, etc.

   Advertisers sometimes try to trick people into buying a certain service or product. The consumer needs to read or listen to ads carefully. The consumer may also be tricked by packaging and displays or by being told it's a sale.

2. Using newspaper advertisements from grocery or discount stores, find the same or similar products and their prices. Compare the items and the costs. Discuss why the items might be priced differently.

Modeled and Guided Practice

1. Compare several local restaurant menus. How do costs and service differ?

2. Introduce advertising using the following ideas:

a. Tape several commercial advertisements from the radio or television. Play a few in class and discuss these questions:
   1) "Was there a song, jingle, slogan, or saying associated with the product? When you hear that slogan, etc., do you think of that product? Is this good for the person marketing the product?"
   2) "What did the advertisement tell you about the product? Were any prices mentioned?"
   3) "Did a famous person do the commercial? Why do you think the person selling the product picked that person?"
   4) "Did an unknown person (maybe someone like you) say the product was great? If that person liked the product, you will too, right?"
   5) "Does everyone else have this product? Did the commercial make you think you will be a better person if you use this product?"
   6) "Did the commercial indicate the product was better than all of the rest?"
   7) "Will you purchase this product because of the commercial?"
   8) "Did you like this commercial?"

b. Have students find some advertisements in magazines or newspapers. Have them answer some of the above questions about the ads. Let them choose one advertisement they really like and one that they do not like. Glue them on a piece of paper and fill in this sentence:
   I liked this advertisement because:________________________.
   I did not like this advertisement because:______________________.

c. Have students make an ad for their favorite good, service, or market.

Independent Practice

1. Use a pretend menu from "The Classy Class Restaurant" (Attachment) and compare it to the school cafeteria prices. Are the prices close or are the prices lower on some items?

2. Have students write a story about how they have been a wise consumer. List things they should do to shop wisely.

3. Have students write a story about a wise consumer and a foolish consumer. Compare the two consumer's shopping habits. Do they look at the price of the good or service, compare the prices of similar goods and services, and try to get the best value for their money?

4. Using grocery advertisements from the newspapers, allow each student a certain budget for making a shopping list for buying groceries.

Evaluation

1. Students will identify places near their own homes where specific goods such as food, toys, and clothes are sold.

2. Students will present a product (cereal, soap bar, cold drink) and describe the reasons why they bought it and why prices are different.

3. Students in groups will design a product and present the product in a TV advertisement. After the presentation, students may choose to buy one product (not from own group). Students will tally results and discuss.

Extension

1. Discuss with the class some of the following questions:
   a. What are some reasons a market would have to raise its prices? (cost of capital goes up; labor costs increase)
   b. Pretend a freeze has made the price of wheat go up. What might happen to the cost of bread, cookies, and pizza? Who would pay the extra cost, the consumer or the producer of the product needing to make the same profit?
   c. What might happen to the price of video tapes if an entire shipload of tapes was sunk in the ocean?
   d. What would happen if no one bought the goods or services a business had to offer? Would it be a market? Find out if there have been any places in the community that went out of business. Can you find out what they could have done to keep from going out of business? (Change product, price, etc.?)

2. Compare prices in catalogs (J.C. Penney, Neiman Marcus, etc.) and the same items in the stores. What other costs are added to the prices (shipping, handling, tax, etc.)?

3. Divide the class into groups and give each group time to plan an entertainment activity (backyard circus, musical show, play). After planning the activity, each group should design a TV advertisement for the activity. The students should be given one "buy" ticket to deposit in a box labeled for each activity (not their own). Tally "buys" to see which ad was most effective.

Additional Resource Materials

- MCG Using Economics in Social Studies Methods Courses, "In the Market," pp. 65-68
- "Children in the Marketplace," Grades 3 and 4, Lesson 5
- Consumers by Joy Wilt
- "Lifegames," Section 4, 15
- "Play Dough Economics," Lessons 11, 12, 14

Attachment

THE CLASSY CLASS RESTAURANT

APPETIZERS AND EXTRAS

Fruit Salad	1.00	Fried Cheese Sticks	2.00
Vegetable Salad	1.00	Nachos	1.00
Shrimp Salad	5.00	French Fries	.75
Jello Salad	.50	Onion Rings	.75
Crackers	.05	Chips	.50

MAIN DISHES

Pizza by the Slice	1.50
Spaghetti and French Bread	2.00
Chicken Fried Steak w/Gravy	2.00
Fried Chicken	2.00
Tacos	2.00

SANDWICHES

Hamburgers	2.00
Cheesburgers	2.50
Grilled Cheese	1.50
Ham and Cheese	1.50
Tuna Fish	1.50

DESSERTS

Ice Cream Sundae	1.00
Apple Pie	1.00
Brownies & Ice Cream	1.00
Ice Cream Bar	.50
Cookies	.50

BEVERAGES

Milk	.50
Juice	.50
Soft Drink	.50
Iced Tea	.50

Grade Level: **Second**

Concept: **Income Distribution**

Teacher Terms

Income is distributed largely through earnings, wages, rent, and interest profit.

Student Terms

People get income when they earn wages and salaries by working, earn interest on money they lend, get rent for letting someone else use their property, and make a profit by organizing and carrying out a productive activity.

Objectives

The second grade student will be able: **to identify income and its sources.**

Resource Materials

- Reader's Theater, "Sarah Solves the Money Problem" (Attachment A)
- "Sarah's Problem Solver" (Attachment B)
- "Income Worksheet" (Attachment C)
- One $1 bill and one nickel

Focus

1. Use the following discussion format with the students to introduce new terms.

What is money? Why do we use it? Why do we need it? When do we use cash? When do we use checks? A charge card lets you pay for something later with interest added. A check is a letter to the bank that tells the bank to withdraw a specific amount of money out of your own bank account. Money must already be in the account before you can write a check."

"What is income? Where do your family members and other adults get money? What do they have to do to earn money? Do they have a skill? Do they offer a service? Do they receive a transfer payment?" Discuss the following definitions of earned income:

Rent: Payment of the use of something that belongs to someone else. Give some examples of things that can be rented. Example: A farmer rents land on which to plant crops or to put cattle there to feed. The owner of the land receives the rent as a form of income.

Profit: The total amount of money received from the sale of a product or a service minus the total cost of production.

Wages: The cost of a worker for service rendered, the payment for labor. It may be as a salary for the job to be done or payment by the hour or day.

Interest: There are two kinds of interest. Interest can be the payment for borrowed money. The reward to a lender for lending money is interest. To the borrower, interest is the cost of borrowing money.

"Another kind of interest is money earned by saving money. The Savings and Loan pays 6% interest and the Texas Bank may pay 5 1/4% interest. If you want to save a dollar you could put it in a savings account and a year from now it may be worth $1.05. The bank wants to use your money, and it will pay you $.05 to leave your dollar there for a year. The extra $.05 is called interest. Who would you trust with your $1,000,000.00 this year? Why?"

2. Lead the class through a reader's theatre where these new terms are used (Attachment A).

3. Prepare cards with the words "income," "wages," "rent," "profit," "interest earned," "interest paid" on them. Place the cards on a table in separate stacks according to the titles. Allow each student to come to the table. Read the student a situation (e.g., "You have worked a week at the florist shop arranging flowers." The student would then be given an income card.)

Modeled and Guided Practice

1. Use the cards from the motivation exercise above. Give situations to students and have the students decide which card to choose or allow the class to help him/her make the decision. After a while the students should be allowed to give each other situations. (Do not forget to use the transfer payment situation when the government provides the income for those who are unable to work for wages.)

2. Make a spinning wheel out of cardboard. Divide the wheel into many sections and on each section write a transaction situation (e.g., money received for a week's work at a store, what you receive when someone lives in a house that you own). Label clothespins with INTEREST, PROFIT, WAGES, and RENT. Have a child spin the wheel. When the wheel stops at the marker, have the child read the situation and clip the correct clothespin to that section. Discuss the situation and the answer before allowing the next student to spin the wheel.

Independent Practice

1. Use the Reader's Theatre, "Sarah Solves the Money Problem" (Attachments B and C).

2. Arrange work stations which are labeled with signs such as the following:

Station 1.	"Get paid wages of $200 for a job well done." Place $200 play money at this station. Student picks it up.
Station 2.	"Pay the doctor $50 for fixing your tooth." Student leaves $50 at this station. Takes the remaining $150.
Station 3.	"Get paid $35 for allowing someone to live in your rental house." Student picks up $35 the teacher has placed at this station.
Station 4.	"Pay off the $100 + $5 interest for the loan you made for a bicycle." Student leaves $105 at this station. Brings remaining money to the teacher.

After each student visits each work station (in sequence), he/she should turn in the cash left over. (This amount should be the same for each child.) The teacher may want those who made a mistake to repeat the process. This activity could also be used without money. Each child could keep a ledger of the addition and subtraction transactions and present the balance amount to the teacher after visiting each station.

Evaluation

1. Students will define the four basic categories of earned income and give an example for each category. Directions: Fold a large piece of manila paper four times. Have the children define the four categories in a complete sentence and draw a picture showing the category defined.

2. When the teacher reads money-earning situations, the students will identify whether it is an example of wage, rent, interest, or profit.

Extension

1. Discuss some of the following situations:
   "Mr. Lee rents a house from Mrs. Kent. A window is broken and the sink is stopped up. Mrs. Kent doesn't want to get these things fixed. Mr. Lee refused to pay his rent until these things are fixed. What do you think should happen?"

   "Jim and Joe work in the same factory making the same salary. Jim is lazy and works slowly. Joe is a fast worker and does a good job. What do you think should happen?"

   "Miss Castro owns the only shoe store in town. Even though she only pays the factory $10 for each pair of shoes, she sells them all for $75 a pair. What do you think should happen?"

   "Mr. Goodbody's Tire Store sells tires for such a low price that he doesn't have enough money left over to pay his rent. What do you think should happen?"

2. Create your own way of earning a token wage in the classroom, such as through good grades, good conduct, completion of assignments, etc. Use the tokens to purchase special privileges and/or pay rent for desks and textbooks, etc.

Additional Resource Materials

- "Lifegame," Section 4, 16, 20
- "Play Dough Economics," Lesson 10
- "Primary Economics," 4
- "Oak Lane Tales," 3

Attachment A

Sarah Solves the Money Problem

Characters: Sarah, Sally, Samantha (Sally's sister), Bill (neighbor), Tom (banker), Mom, Narrator

NARRATOR: **SCENE ONE:** Sally and Sarah are riding bikes to the grocery store. A problem arises when Sarah's bike has a flat.

Sarah: How are we going to go to the store now that I have a flat?

Sally: I'll ask my sister if you can borrow her bike. (Sally's sister is Samantha.)

Sally: Samantha, can Sarah borrow your bike to ride to the grocery store?

Samantha: She may rent it for $1 this afternoon until 7:00 p.m.

Sarah: You mean Sarah should pay rent like Dad rents a car sometimes or like we rent our apartment or rent the land that we farm?

Sally: Yes, exactly. Rent means to pay for the use of something that belongs to someone else.

Sarah: Alright, I'll pay her rent of $1 for today. Why does she need to charge me rent to borrow her bike?

Sally: She needs to pay for her new tire.

Sarah: I understand the cost of a new tire since I'll need to earn some income to pay for my new bike tire, too.

NARRATOR: **SCENE TWO**: Sarah goes to borrow $5 from the bank. This is the cost of a new tire as advertised in the newspaper.

Sarah: Hello. My name is Sarah Smart. Could you loan me $5 to buy a new bicycle tire?

Tom (banker and loan officer):
I'd love to loan you $5, but I'll need to charge you interest on the loan. Please fill out this loan application (a written agreement between two people).

Sarah: How much interest will I have to pay?

Tom: I will charge you $.25 on the loan of $5.

Sarah: When do I have to pay back the $5.25?

Tom: When I loan you the money and you sign the loan agreement, I'll need the interest and loan back in 30 days.

NARRATOR: (Sarah signs the loan agreement and hands it back to Tom.) Tom then gives Sarah $5. Sarah leaves happy.

NARRATOR: **SCENE THREE:** Sarah's home. Sarah needs some income to pay off the rent of Samantha's bike ($1), the loan of $5 for a new tire, and $.25 for interest due in 30 days.

Sarah: Mom! How can I earn some money to pay my expenses?

Mom: What about providing a service? You could walk the neighbor's dog, ride the neighbor's horse, babysit, weed someone's garden, wash windows, or take care of a pet while the owner is away. If you turn this service into a business, you will be called an entrepreneur.

Sarah: Thanks Mom! I will think about starting a new business. I will check with the neighbors to see if there is a need for my business.

NARRATOR: She walks to the neighbor's house and knocks on the door.

Sarah: I need to earn some money to pay for my bicycle tire. Do you need someone to help you with any chores?

Bill: I need someone to wash my pickup today. I'll pay you $10.

Sarah: I would be glad to wash your pickup for $10. Thanks for the chance to earn some income!

Bill: Let's shake hands on this business deal.

NARRATOR: They shake hands. Sarah goes home and tells Mom the good news. Mom agrees to let Sarah use the water hose, water, and liquid soap free of charge when she washes the neighbor's pickup.

NARRATOR: **SCENE FOUR**: Sarah's home.

Sarah: I earned $10 yesterday. I will be able to pay off my loan to Tom plus the interest and the rent of Samantha's bike.

Sally: Congratulations! What are you going to do with your profit?

Sarah: Profit? What's profit?

Sally: Profit is the amount of money earned after you've paid your expenses.

Sarah: My total cost of borrowing the money, paying the interest, and renting the bike is $6.25. When I subtract this from the $10 income, I'll have money left over. That's why there's $3.75 left in my pocket!

Sally: Yes, what are your plans for your $3.75 profit?

Sarah: Oh, let's ride our bikes Jown to the bank. I think I'll put $3 in my savings account to earn some interest.

Sally: It's great to know a smart money manager like you.

Sarah: Thanks, friend.

NARRATOR: They do the friendship handshake.

THE END

To the Teacher: Ask these questions:

How much **interest** did Tom (the banker) receive? ($ .25)

How much **rent** did Samantha receive for her bike rental? ($1)

How much **income** did Sarah earn by washing the pickup? ($10)

How much **profit** was earned after Sarah paid her expenses? ($3.75)

What do you think Sarah will do with the extra $3.75 in her pocket?

Attachment B

Name ______________________________

Sarah's Problem Solver

Fill in the blanks with the correct word:

rent interest wages profit

Sarah pays Samantha ______________________ of $1 to ride her bicycle. Sarah borrows $5 from Tom, the banker, and pays $.25 ______________ on the loaned money.

Sarah earns $10 in ______________________ from Bill when she washes his pickup. Sarah has earned $3.75 in ______________________ after her interest, rent, and bicycle tire expenses are paid from her earned income of $10.

Attachment C

Name ______________________

Income Worksheet

Directions: Fill in the blanks. You will use two words twice.

Rent Wages Salary Profit Interest

Once you have a job, you will be paid a _____________. Your weekly income will be called __________________. A money payment for the use of something that belongs to someone else is ________________________. The earned money in a savings account is called _________________________________.

________________________is paid for money borrowed.

_____________________ is the money a business keeps after paying all the costs.

Grade Level: **Second** Concept: **Role of Government**

Teacher Terms
Some goods and services are provided by government.

Student Terms
Some things we use (schools, parks, police, and fire department) are provided by government.

Objectives

The second grade student will be able: **to identify how people satisfy some of their wants collectively.**

Resource Materials

- Materials to make community helper puppets
- "Word Problems" (Attachment)

Focus

1. The activities that the city government provides to help people are called services. People in a community pay taxes to have these services. This money is also used to buy goods such as fire and police equipment, playground equipment, street signs, and library books. People could not buy these things by themselves so everyone shares the cost so we can share the goods and services.

   Prepare a bulletin board with the title "OUR GOVERNMENT'S SERVICES." Place a label for each of the city departments to be studied. Find pictures, pamphlets, or symbols to illustrate the role these helpers play in our lives. List the different things each department does for us. Put on display items that you can borrow (fire helmet, street sign, etc.). Explain how these people want to help the community in which they live. Ask the students if there is anything THEY can do to help their community NOW.

2. Discuss the difference between government workers and nongovernment workers. Most non-government workers charge money for their services (haircuts, car washes, lawn mowing, etc.). These services are performed for just you and your family, and the service will probably not help anyone else when you get it. Firefighters (government workers) might have to come to your house and put out a fire, but you will not have to pay them to put it out. They protect everyone's house. A new street or park will help everyone who uses it; your parents do not pay extra to use them.

Modeled and Guided Practice

1. Assign each student a government worker to learn about. Put on a puppet play using paper sack, paper plate, or other puppets as community helpers. Let the students design their own puppets. Have the puppets introduce themselves to the class and tell what they do for the community (simulating a guest speaker).
   a. Students could make up a riddle describing themselves and what they do for the community and have the class guess "Who Am I?"
   b. Have the class ask questions about what they do. The student says only "yes" or "no." Example: "Do you drive around a lot on your job?"

2. "Ask who would you need if..." (you smell smoke, your dog ran away, you want to read about birds, etc.?)

   Suggestions for possible characters are: police officer, sheriff, police dispatcher, firefighter, garbage collector (sanitation engineer), bus driver, animal control officer, librarian, museum guide, water department engineer, mail carrier, mayor, park ranger, council members, judge, workers who are in charge of paving streets and fixing street lights, zoo keeper, gardener, members of civic organizations, teacher, principal, city secretary, and lifeguard at a city pool.

3. Invite a government employee to speak to the class about his/her role.

Independent Practice

1. Explain that we are imagining that the community is running out of money, and someone will have to quit work. Divide the class into groups and assign each one a problem situation such as a town with no police or a town with no firefighters. Have the group write a short skit showing what might happen. Students also might be able to come up with a solution for the town.

2. Given a situation, have the group discuss what some of the problems would be without the service. They might also draw a picture of "before" (with the service) and "after" (without the service). Discuss with the class which services would be easiest to give up and which are most important.

3. Use "Word Problems" (Attachment) to review terms and for math application.

Evaluation

1. Students will identify on a list which goods and services, such as a bag of groceries, a fire department, a police department, a box of candy, are provided by the government.

2. Students will "build a neighborhood" with boxes, desks, blocks, posters, etc., identifying public service areas (such as schools, fire stations, libraries) with a special logo of the student's design.

3. Students will discuss a public service job and the rules or laws each should enforce to make the job of providing the service easier.

Extension

1. Explain the concept of volunteerism. Many communities have volunteers--people who work for the community without being paid. Why would someone want to volunteer? Ask a volunteer firefighter, a volunteer in the school, or some other community volunteer to talk to the class.

2. Plan a field trip to the fire station, public library, police department, or some other community building. Arrange for guest speakers from the different city services to talk with the class.

3. Have people from emergency services come to talk with the class about safety procedures to follow in case of fire or other emergencies. Review the use of the telephone to call for help.

4. Make a map of your community. Locate the government buildings or those that were purchased with tax money. Review with the class what services are offered in which building and what service workers work in which building.

Additional Resource Materials

- MCG Teaching Strategies, Primary Level .
    - "Remain Standing Please," pp. 31-36
    - "Match/Mismatch," pp. 37-41
    - "Broad to Narrow," p. 42
    - "Unique/Common," p. 42
    - "Our Taxes Pay for...," pp. 43-44
- The Elementary Economist, "Taxes and Taxation," Winter, 1988
- "Lifegames," Section 1, 2
- "Oak Lane Tales," Video 8

Attachment

Name ____________________

WORD PROBLEMS

1. The city has four fire trucks, six patrol cars, and two garbage trucks. How many trucks do they have? ______________

2. There are 14 firefighters on the fire truck. Six of these people got off and walked into the firehouse. How many firefighters are still on the truck? ____________________

3. The mail carriers had a tug-of-war. There were 22 women on one side and 17 men on the other. How many mail carriers were in the tug-of-war? ____________________

4. The city library has 21 old books about cats and 15 old books about dogs. The city just gave the library 18 new books about cats. How many books does the library now have about cats? ____________

5. City workers have 500 tickets to sell for the spring carnival. So far they have sold 362. How many more tickets do they have to sell? ___________

6. There are 52 street lights in the city, eight traffic lights, and 26 stops signs. How many street lights and traffic light are there altogether? ________________

7. When the city elected a new mayor, the mayor received 78 votes and the opponent received 22. How many people voted altogether? ___________

8. The city has found 24 lost dogs, 16 lost bicycles, and 36 lost cats this year. How many lost animals have they found this year? _____________

Grade

3

Grade Level: **Third** Concept: **Scarcity (Choices)**

Teacher Terms	Student Terms
Scarcity requires people to make choices about using goods and services to satisfy wants.	**Since you can't have everything you want, you have to decide what things you want most and what things you will give up.**

Objectives

The third grade student will be able:	**to justify choices made when there is not enough money to purchase every item desired.**

Resource Materials

- Pencils, crayons, markers
- Masking tape
- Construction paper
- Catalogs, magazines, etc.
- "Desserts" Chart (Attachment B)
- 6-ounce empty juice cans (one per student)
- Paste or glue
- Poster board
- Poem "Silligan's Island" (Attachment A)

Focus

1. Have each student bring to class either a box a tube of toothpaste came in or an empty toothpaste container which has been discarded by their families. On a piece of poster board, make a graph of the type of toohtpaste used by the families. (Start with either tubes or pumps as categories and then see if the students can group the products in other ways--brands, sizes, etc.) Explain to the students that they are going to survey their parents to determine why their parents chose the types of toothpaste they did. Discuss the survey with the students and have them take it home to their parents to complete. When the surveys are returned, discuss the results and graph them.

2. Divide the class into five groups. Have five small paper bags filled with items, such as candy, peanuts, fake movie tickets, etc., but be sure there are not enough items to divide evenly among group members. One person in the group will be the recorder and will fill out the report form. The recorder will also determine ways of dividing the goods in the bags and resolving the problems. Allow the groups 10-15 minutes to open the bags and discuss how they will distribute the contents. Group members must agree on an acceptable method. The recorders will each write a concise paragraph about how their groups solved the problem. Have each group report results to the class.

Modeled and Guided Practice

1. Before reading the poem, "Silligan's Island," (Attachment A) have a class discussion about what you would need if you were stranded on an island and what might be available to use. Role-play and act out the poem. Discuss what choices people would make if they were on a sinking ship. List on the board the resources you could find on the island or that might be salvaged from the ship. Which of their wants were satisfied by their choices? Other books to share with the class about living on an island are Island of the Blue Dolphins by Scott O'Dell and The Cay by Theodore Taylor. After discussion, have the students draw a picture of an island and write a paragraph describing it.

2. The students can work in pairs or groups with one student designated as the recorder. Brainstorm with the class to determine possible places the students might be sent to live. Have each group select a different place and list different items (either goods or services) that group members might want in their new place. Have them determine what they would need for food, shelter, and transportation. Have the students report to the class and decide which place has the most wants. Which place has wants that are the most difficult to satisfy?

Independent Practice

1. Students will make pencil holder vases or animal figures using six-ounce frozen juice cans and colored construction paper, glue, crayons, and scissors. Students decide which item they are going to make and begin working. Afterwards, students should make generalizations about their work. (What did most of the students choose to make? Why? Did they select more than one project? If an additional can had been available, what else could they have produced?) Point out that the students' choices were dependent on what materials were available.

2. Have students cut out pictures of toys from catalogs (10 pictures). Cut out wheels from cardboard or poster board. The wheels don't have to be any certain kind because they are just a representation of wheels. Give each group of students four wheels. The students must decide which toy picture they will put the wheels on. Instruct them to put the wheels on the toys they would like the most. Discuss their choices and emphasize that not all of the toys could be selected because of the limited supply of wheels. After all the students have placed their wheels on the pictures, make a chart to show how many selected a certain toy and discuss why. Discuss why the choices had to be limited. If four more wheels had been available, what would they have selected? Why?

Evaluation

The students will use their problem-solving and decision-making skills to choose among certain goods when there is not enough money to buy them all. Begin by asking the class if they were ever forced to make a choice between two things they wanted.

a. Students working in groups will write a story about a choice that had to be made and will discuss their choice.
b. Students will explain their decisions in terms of the importance they gave to each need.

Extension

Students are going to create a classroom bar graph indicating their first choice for goods, such as: dessert, toys, TV programs, pets, etc. See the example of the chart to make and place in front of the class. The chart is entitled "Dessert" (Attachment B), but it could be used for any of the goods listed above. Pose this question to the class: "If you could have any of the items listed on this chart, which would be your first choice?" Using small one-inch paper squares, have the students come up and place the squares on the appropriate strip of tape. After all the students have placed their markers on the appropriate strip, have the students write answers to the following questions:

a. Which item did most of the class choose?
b. Why did you choose your item?
c. What does the chart show us about our choices?

Additional Resource Materials

- Elementary Lesson Plans, 2 and 4, Center for Economic Education, Rhode Island College, 1988
- Strategies for Teaching Economics: Primary Level, Joint Council for Economic Education, 1977
- Using Economics in Social Studies Methods Courses, Joint Council for Economic Education, New York, 1982

Attachment A

SILLIGAN'S ISLAND

Silligan was always making up stories to share with his friends. As Silligan told these stories, the children enjoyed participating in the story through actions. One day as Silligan told a story in the form of a poem, the children pretended it was really taking place. As Silligan's story is read, pretend it is happening in the classroom.

Action Poem: Similar to the story of the Little Brave Indian, who goes on a bear hunt. Students repeat each line and act out the story.

We're going on a ocean cruise.
We're going to have fun.
If you don't have a life jacket
You'd better get one!

1st day out, it's a beautiful day.
We'll sit in the sun and watch the dolphins play.

2nd day out, the sky is a little gray.
We'll go deep-sea diving, if the sharks will stay away.

3rd day out, the water is getting rough.
It looks like a storm; I hope this boat is tough!

4th day out, the wind is really strong.
Put on your life jacket, and you'd better hang on!

The 5th day is here and the hurricane has passed.
But now our boat is leaking so we'd better find land fast.

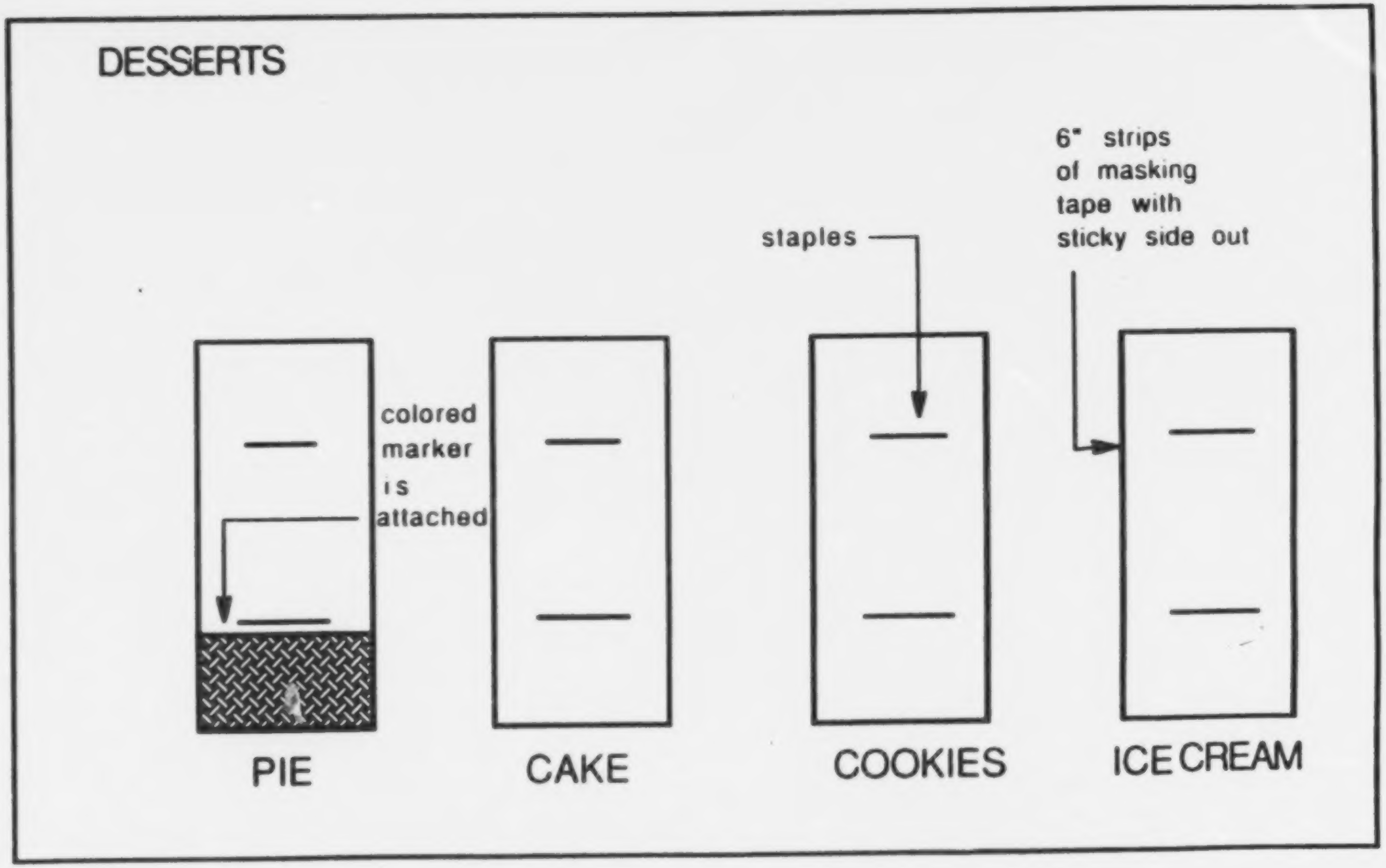
There's a little island, let's turn and head for it.
I see no stores or soda shops, but it's better than getting wet.

We're sinking--we're sinking--save anything you can!
We'll need some food and shelter, when we reach dry land.

Jump into the lifeboats and quickly paddle away,
It looks like this island might be a fun place to stay.

Now everyone get busy and take a look around.
We'll need to know what resources can be found.

Attachment B


DESSERTS
6" strips
of masking
tape with
sticky side out
staples
colored
marker
is
attached
PIE
CAKE
COOKIES
ICE CREAM

Grade Level: **Third**

Concept: **Resources**

Teacher Terms

Productive resources are the natural resources, human resources, and humanmade resources (capital) used in the production of goods and services.

Student Terms

Natural resources, labor, and capital are used to make goods and services.

Objectives

The third grade student will be able: **to identify pictures of resources and products made from these particular resources.**

Resource Materials

- Magazines, newspapers, etc.
- Scissors
- Glue or paste
- Construction paper
- Pencils, crayons, markers

Focus

1. Introduce the yellow pages of the local telephone book. Group the students according to needs (food, clothing, and shelter) and have them list as many resources as they can find in their community through the yellow pages that satisfy these needs.

2. On poster board or the blackboard, draw a neighborhood map. Have the students determine where the local sources for food, clothing, and shelter are located.

Modeled and Guided Practice

1. Inform the students that they are going to investigate the different kinds of goods that are produced with the resource of trees. Have the children identify things in the classroom that are made from trees. Have them also identify things outside the room that can be made from trees. List them on the blackboard.

2. Write or call the Chamber of Commerce or tourist bureau in your city for information about major industries, natural esources, tourist attractions, etc. Have the students match which natural resources are used by businesses or services within the community.

3. Visit a shopping area and list types and numbers of businesses. (When an actual trip is not possible, pick up pamphlets of local shopping malls for students to use.) Chart the result on a bar graph. Then list the productive resources needed at these businesses.

4. Take a class survey. Determine how many families work in businesses that help provide food, clothing, or shelter. Chart or graph the results. What productive resources are used in these businesses?

5. Activity: "The Double Delicious Company" (Attachment)
Using the story entitled "The Double Delicious Company," discuss with the students how resources are used to satisfy our needs and wants. Draw a picture of an apple on the board or a piece of poster board. Have the students determine what resources were used in the production of the apple.

Next to the picture of the apple print the statement: Natural resources & human resources & capital resources = product. These are all necessary to supply people with apples. See if students can then read the story, "The Double Delicious Company," and classify the resources in the story according to natural, human, or capital.

Independent Practice

1. Create a real or imaginary business that offers a new and better source of food, clothing, or shelter in your community. What productive resources would you need? Identify.

2. Draw a picture of a business that uses a natural resource located in you geographic area.

Evaluation

1. When shown pictures of natural resources, students will identify the products that can be produced with them. (What could be made from a piece of iron? A slab of marble?)

2. Students will identify places in their community where goods and services can be purchased. (Examples include stores of various kinds, banks, medical offices, shopping, gas stations, etc.) What natural, capital, or human resources are needed in these businesses?

3. When shown a specific product (e.g., pie, cake, chair, shoe, pencil, etc.), the students will identify resources used in its production. See if they can identify where the item can be purchased in the community.

4. Students will create a bulletin board, with the picture of a tree in the center, captioned "Ways We Use Our Trees." Students can work together in groups or singly to draw or create materials that illustrate the title of the board.

Extension

1. The students will create a guide book to illustrate the special resources available to young people in their community. Be sure to include the hours of operation, admission prices, and addresses of the places mentioned in the book. Organize the resources according to whether they are natural, human, or capital resources.

2. Create a real or model shelter, such as a treehouse, geodesic dome, or tent. Supply the materials necessary to build the shelter to groups of students, but omit one necessary item. See if they can complete their shelter without the item by substituting something else.

3. Activity: The Ox-Cart Man
   Read the story aloud to the class. Have the class list all of the resources used by the ox-cart man and his family throughout the story. Discuss with the class the definition of "productive resource." Have students draw their favorite pages from the story, being sure to identify the productive resource used. Make a bulletin board using the ox-cart pattern and put the students' pictures on the bulletin board.

4. Read the book The Berenstain Bears Mama's New Job aloud to the class. Discuss the jobs of each family member and the resources used for each job. What resource was scarce? Make a chart to list all of the resources discussed in the story. Discuss the types of resources: natural, human, capital. See if the students can define these different resources. Have the students write a story about their families and their jobs, including resources used in each job.

Additional Resource Materials

- Children in the Marketplace, Lesson 3, Joint Council for Economic Education, 1986
- Elementary Lesson Plans, 2, Center for Economic Education, Rhode Island College, 1988
- Elementary Lesson Plans, 4 Center for Economic Education, Rhode Island College, 1988.
- Strategies for Teaching Economics, Part II, Primary Grades Joint Council for Economic Education, 1977
- Ox-Cart Man by Donald Hal, Viking Press, 1979
- The Berenstain Bears Mama's New Job by Jan & Stan Berenstain
- A Light in the Attic by Silverstein

THE DOUBLE DELICIOUS COMPANY

Johnny and Jennifer Green are 12-year-old twins. They were given a special present on their sixth birthday. You would never guess what it was! It came in a big pot, had leaves, and delicious red fruit grew on it. If you have guessed an apple tree, you are right!

Johnny and Jennifer weren't very excited about the tree when they received it; they were hoping for toys. In just six years though, Johnny and Jennifer have come to appreciate the tree. They planted the tree when it was quite small. Now, just six years later, the tree has grown very large. It produces big, red, juicy, delicious apples. M-m-m-m, are they good! Johnny and Jennifer are glad that they watered the tree, weeded around the tree, pruned the tree, and sprayed the tree for insects. Johnny and Jennifer like to pick apples from their tree. They love to eat their apples. There is a problem, however. They can't eat all the apples that grow on the tree. They share some of the apples with their friends, but even their friends get tired of eating the fruit.

One day recently, Jennifer had an idea. She rushed into the garage, found some wood, nails, and a hammer, and started building a fruit stand. She told her brother Johnny her idea. He thought it was a good one and started to help her with the stand. They decided to share the work of picking the apples, carrying them to the fruit stand, and shining the apples. They also decided to call their business, "The Double Delicious Company." They finally had all the things they needed to start their business: the fruit stand, the boxes in which to put the apples, the apples, a wagon to pull the boxes to the fruit stand, and the workers (themselves).

The twins set up their business one morning and waited only a short time at the fruit stand until the first customer came. A man got out of his car and asked, "How much do the apples cost?" The twins both said, "25 cents!" The customer said, "Wow, that's a good price! I'll take two apples." Lots of customers stopped that day and everyone bought several apples. That night the twins counted their money. They had earned $8.50. The second day they earned $10.75. Before Johnny and Jennifer could start business on the third day, however, they had to pick more apples. They noticed that there weren't many apples left and they returned to the fruit stand. They sold all of the apples they had left at the stand that day and earned $13.25. That's a lot of money! Do you know how much they earned altogether? ($32.50 is the correct answer.) Yesterday, Johnny and Jennifer went out to their apple tree. They were sorry to see only a few apples left. They picked the last apples and took them to the fruit stand. Soon they had sold all of them. They made $4, for a total amount of $36.50. They closed their fruit stand for the season.

Now what are Johnny and Jennifer going to do with their money? They want so many things. What do you think they should do with the money? Both Jennifer and Johnny want to buy skateboards. They can buy two and have $10 left over. What do you think they will do with the extra $10? Do you think they should buy another $10 apple tree?

Adapted from Economic Education in the Social Studies Methods Courses, UTC Center for Economic Education, University of Tennessee at Chattanooga

Grade Level: **Third**

Concept: **Opportunity Cost and Trade Off**

Teacher Terms

Opportunity cost is the highest valued alternative that might be foregone because another option is chosen.

Whenever someone makes a personal decision to use limited resources in one way, an opportunity cost is incurred.

Student Terms

Opportunity cost is what you give up to get something.

Because you cannot have everything you want, when you choose to buy a good or a service, there is always an opportunity cost.

Objectives

The third grade student will be able: **to demonstrate the ability to make decisions that will best satisfy his/her personal needs/wants in the obtaining of goods/services and will be able to identify what was given up to fulfill that need/want.**

Resource Materials

- Color books (for patterns)
- Three variations of stickers
- 3 x 5 and/or 4 x 6 index cards
- Rocks or rock patterns
- Construction paper (large & small)
- Three bags of marbles & a baseball glove
- Toy cash register & play money
- Butcher paper, staples, & tacks
- Items for a shop
- Cardboard for crystal ball
- Lunch menu from cafeteria
- Maps, atlas, hotel information, menus, gas cost, mileage charts, air fare, etc. to be used with Disney Activity
- Items children bring for store
- Items for white elephant auction
- Scissors, paste, manila paper
- Poster board/tag board
- Magazines and newspapers
- Catalogs
- Crayons, markers, gummed stars
- Catalog order blanks
- Star & cloud patterns on construction paper

Focus

1. Organize a game entitled "Opportunity Knocks" (Attachment A) in which students will be required to make a decision for an opportunity at the cost of another opportunity. Develop terms: "opportunity costs" and "trade offs."

2. Have students draw pictures of two items--one, something they would buy if they had 50¢; the other, an item they would also like to buy for 50¢. Label these drawings, "This Was My Choice" and "This Was My Opportunity Cost." Show all of the pictures in groups or to the entire class and define "opportunity cost" as what was given up to have something else.

3. Using a catalog and play money, ask the students to spend their money on items in the catalog. The students will have to select between two items from a variety of price categories (Attachment B).

4. The teacher will have two varieties of candy for the students from which to choose. They may have only one choice of candy. Discuss: How did personal taste influence your choices? What did you give up? Why? What is the "opportunity cost" involved in your decision?

Modeled and Guided Practice

1. Role-play a family going out to eat dinner. What choices must be made. (Where to go? When to go? What kind of food? Cost? Can you eat anything on the menu? Was this an individual or group decision? What was given up in the choice? What was the "opportunity cost"?)

2. Use the Decision Tree (Attachment C) in learning how to make decisions among two or more opportunities. Students may then use the tree to make other decisions/choices in small groups or in pairs.

3. "THUMBS UP/ THUMBS DOWN." Students will respond (thumbs up/down) to a variety of opportunity choices presented by the teacher. (For example: I want a new bike, but the car needs new tires. Dad should buy tires for the car. (Agree/disagree) My brother wants to play with my toys, but I don't like to share always. I should share my toys. (Agree/disagree), etc. Follow-up discussion will deal with what was gained and what was given up in each situation. ALL ANSWERS ARE ACCEPTABLE.

4. Students will participate in a simulation of a shop in which decisions must be made regarding which purchases will be made for 25¢ play money. Lack (scarcity) of items and money will affect choices (Attachment D).

5. List and discuss TV shows (Attachment E) that students watch. Have two lists: 1) Favorite Shows and 2) Second Favorite Shows. After the lists are completed, the students will discuss the programs among themselves. Following the discussion, the class will vote on the Class Favorite and Class Second Favorite Shows. Then have students answer the questions in Attachment E.

6. Students will listen to The Three Little Pigs (Attachment F) or another story in which "opportunity cost" or "trade offs" are used. The student will identify the "opportunity cost" of building houses of sticks/ straw/ bricks. Then opportunity cost of a visit by the wolf or a weather phenomenon will be initiated.

7. Students will choose what activity to do for recess, given a 20-minute time period for recess. List the desired activities on the board. Have the class vote for the Activity of Choice. Then ask, "Is there proper equipment? Is there time enough? Is there space enough? Can everyone be involved? Etc. Class might vote again at this point. Discuss that "opportunity cost" is often influenced by circumstances that limit the choices we can make. Reward will be to let the students play the game at recess. After recess, discuss whether or not everyone enjoyed the game. Ask the students who voted for other games how they feel about having to play a game that was not their first choice. Emphasize that many of our choices and "opportunity costs" occur because of limiting circumstances.

8. The student will listen to a number of situations presented by the teacher and will make up opportunity cost decisions for each situation (Attachment G). Students will list the reasons for their choices. Identify what was gained and what was given up. Place on a grid.

Independent Practice

1. You have $1.50 to spend for lunch. Using "Menu-Menu" (Attachment H), the students will plan lunch. In so doing, choices will have to be made.

2. Write a story about choices using the following situation: "Your grandmother sends you $20 for your birthday. How will you spend it? Why? First choice? Second choice? Identify that

money is the scarce resource in the decision. Read the stories in groups of four or five. Identify the opportunity cost of the purchases made in each story.

3. Draw a picture of something that you received by trading or exchanging. On the back of the picture, draw a picture of what you traded to get the object you now have. Label drawings: "My Best Trade" or "My Opportunity Cost." Share the drawings in groups of three or four and describe them. Then create a display where the pictures are suspended from twine, so that both sides may be viewed.

4. Students will present a puppet show using the following situation or a situation that the students create. Situation: "My friend had more marbles than he could use. I had a good baseball glove that I never use. I wanted some marbles. My friend needed a glove for Little League. I gave him the glove, and he gave me three bags of marbles. Now we both have fun with the toys we exchanged." Following the puppet show, students in the class will determine what the "opportunity cost" was for each puppet in the play.

5. On strips of poster board or sentence strips, the students will make Trade Off Cards, showing side by side two opportunities to be chosen between (e.g., play baseball/play putt-putt golf). After the cards are completed, the student will play a game.

   Cards are shuffled and placed face down. A student draws one card (one at a time) and acts out one situation or choice on the card (like charades). The class is given the opportunity to guess what the actor is portraying. When the choice is identified, the actor tells the other choice on the card that was not acted out and will identify that choice as the opportunity cost.

6. Students will play a card game, "The Price Jar" (Attachment I).

7. Students will bring a variety of cereal boxes for "What's for Breakfast?"
   The class will be divided into groups and will be given an assignment. Assignments: Choose what's for breakfast by:
   a. least amount of sugar in the cereal
   b. fewest calories in the cereal
   c. personal favorite
   d. most vitamin B
   e. least amound of fat in the cereal

   Each student group will choose one cereal for breakfast by the category of his/her assignment. Students will claim the box of cereal that best exemplifies the criteria listed above.

   The students will each identify their own favorite cereals (the one they would like to have above all others but cannot have because of the preset conditions). These cereals will be identified as the "opportunity cost."

   Through discussion, the students should discover that opportunity cost is not always the same for everyone, that we each have "opportunity costs" because of personal tastes. Also discuss that sometimes choices have to be made within the reference of certain limitations because of a pregiven situation or shortages of resources.

Evaluation

1. The student will participate in a White Elephant Auction (Attachment J) in which there are limited items and various amounts of money available to players as well as other limiting factors.

2. After viewing a picture of a farmer leaning against a large tree in front of his home with a puzzled look on his face, the student will make "opportunity cost" decisions regarding a situation the farmer faces (Attachment K).

3. The student will complete a Decision Making worksheet (Attachment L).

4. Using "Twenty Questions" (Attachment M), students will make a list of goods and services. The teacher will secretly choose one of the items from the list. Students will ask "yes" or "no" questions to conclude the identity of the choice. When the teacher's choice has been discovered, the person who correctly guessed the answer will then state a possible "opportunity cost" for the decision/choice. The person who guessed the correct answer will be the next "it."

Extension

1. The student will make a "Family Wants Book." Label each page: "Daddy wants;" "Mom wants;" "I want," etc. Have students illustrate some of each person's wants in the book. Then discuss how they want different things. Discuss that tastes of individuals influence choices and "opportunity cost." Identify other things that are important in decision-making process. Do they, too, have "opportunity cost"?

2. Give the class a 20-minute FREE TIME. Students may draw, read, play a board game, lay their heads down, etc. Then choose a number of students to do tasks in the room (clean board, hand back papers, etc.). Stop everyone at 20 minutes. Discuss: What did everyone do? List on the board. Ask those who had jobs to do tell what they had planned to do before the teacher asked them to do a task? Did they get to do those things? Why? Identify the things that the students had planned to do but didn't get to do when they helped the teacher as the "opportunity cost."

3. Before a free reading period, discuss with students their choices of books that they are about to read. Why did they choose the book they are about to read? Was there another book that they also would like to read? Why didn't they read that one? Is there an "opportunity cost" situation involved here? What is it?

4. The children will participate in a decision-making process determining how to spend money given by the PTA to buy physical education equipment (Attachment N). The discussion will be taped, and the tapes will be evaluated pointing out when decisions were made, etc.

5. The students will look for stories in their readers, library books, newspapers, etc. about the choices that people have made. Have each read a story and determine or identify the resource people used and the "opportunity cost."

Additional Resource Materials

- *The Little Match Girl* - Anderson
- *Seven Little Popovers* - Eastwick
- *Gia and the Hundred Dollars of Bubblegum* - Asch
- *Stone Soup* - Brown
- "Choices" *Trade Off*, film
- "Malcolm Decides"
- "The Lemonade Stand" What's Fair, Encyclopedia Britannica, film
- "Economics Is Everywhere," film
- Instructor 77 October 1967, pp. 97-100
- Education, 101, Winter 1980, pp. 127-29
- "Nobody Knows Me in Miami" - Klass
- "The Fisherman and His Wife," fairy tale
- "The Three Wishes," fairy tale

Opportunity Knocks

One student is chosen to stand at the center in front of the room. This student is the Chief Choice Maker. Two other students are asked to stand at the corners in front of the room. They are called Big Opportunity One and Big Opportunity Two. The student on the right will "knock" at the "door" of the Chief Choice Maker and the Chief Choice Maker will ask, "Who's there?" The person knocking answers: "It is Big Opportunity, and I have an opportunity of you."

The student makes up an opportunity for the Chief Choice Maker (e.g., a trip to the zoo) . Then Big Opportunity Two will knock in the same manner, presenting an alternative opportunity. The Chief Choice Maker must choose between the two choices and tell the class which opportunity was chosen.

At this point, the class will ask the Chief Choice Maker, "What was your opportunity cost?" The Chief Choice Maker tells what was given up and why that choice (opportunity) was not chosen. The student whose opportunity was chosen will become the next Chief Choice Maker.

OPPORTUNITY
KNOCKS

Attachment B

"My Favorite Things"

Choose items from a catalog. Chose two items for each price range. Write the items and the cost. After your lists are completed, circle the item in each price range that you would most like to have.

COST RANGE	ITEM A	ITEM B
$400.00 - $500.00	1.	1.
$300.00 - $400.00	2.	2.
$200.00 - $300.00	3.	3.
$100.00 - $200.00	4.	4.
$ 75.00 - $100.00	5.	5.
$ 50.00 - $ 75.00	6.	6.
$ 25.00 - $ 50.00	7.	7.
$ 0.00 - $ 25.00	8.	8.

Now, write down the opportunity cost (what you gave up) in each price range. You will write the item that you did not choose.

OPPORTUNITY COST

1.
2.
3.
4.
5.
6.
7.
8.

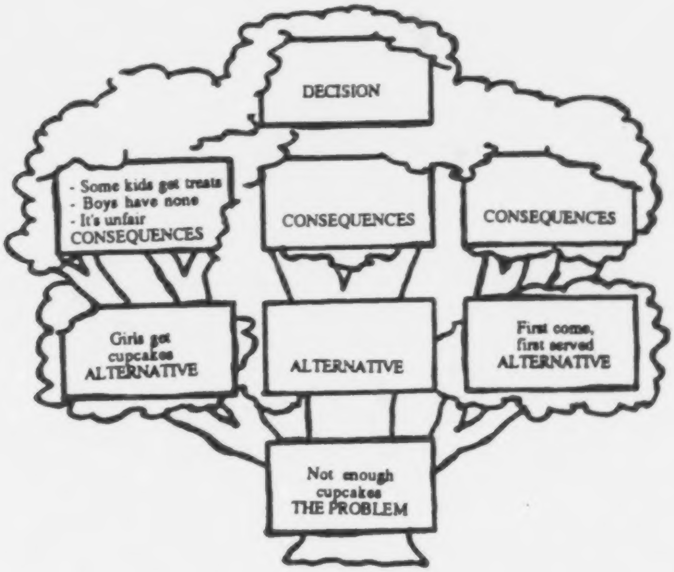
Attachment C

Decision Tree Matrix

Students will use the Decision Tree for making choices related to opportunity cost. Start at the base of the tree and identify the problem (e.g., what to buy with a $20 birthday gift). Then have the students begin to work through a decision-making process by moving up each step of the tree in order. At the alternative level, let the students choose two alternatives from which to select one. They will then move up the tree to the consequences level. Here students will contribute and list the possible consequences of each of the alternatives. Students will determine whether consequences are positive (+) or negative (-). At this point, have students make a decision based on the input they have given. Write the decision in the appropriate box in the tree.

To conclude, explain that it is not possible to have all of the goods/services that we want. Therefore, a decision is called for. Because resources are limited, people must choose what to produce and what to buy. In these choices, they experience opportunity costs.

Do this activity on the chalkboard as a guided unit in the beginning. After students have mastered using the Decision Tree, distribute worksheets with the tree printed on it and present students with choice-making decisions. This will provide them with a visual tool to use in making choices.


DECISION
- Some kids get treats
- Boys have none
- It's unfair
CONSEQUENCES
CONSEQUENCES
CONSEQUENCES
Girls get cupcakes
ALTERNATIVE
ALTERNATIVE
First come, first served
ALTERNATIVE
Not enough cupcakes
THE PROBLEM

DECISION TREE

Prepare a simulation of a store, using an appliance box and having students decorate the box to resemble a store. Then stock the store with actual items: (e.g., candy bars, 10¢; pencils, 2¢; suckers, 4¢; balloons, 3¢; yo-yo, 10¢; etc.) Students are told that they have 10¢ to spend or to not spend. Savings is a choice when the opportunity cost of buying is too much.

Have the students window shop in small groups and investigate the goods and their costs in the store. Then have the students plan what they will buy. On notebook paper, have the students write down two possible combinations of goods from the store that they would like to purchase. Have the students add up the prices of each group of items, determine the costs and check to see if there is any change left from either purchase. The students will then choose which list of goods they prefer to purchase . They then go shopping and make their purchases, checking for the proper change where applicable.

Questions to accompany the activity:

1. How do you decide which show to watch?

2. If you have brother(s)/sister(s), does this make a difference in the show that you get to watch?

3. If dad wants to see a football game or a videotape, does this change what you get to watch?

4. Are there shows that your parents won't allow?

5. If you had two TV sets--one on top of the other--and you could watch two shows at once, what would happen?

6. What are the opportunity costs in each of the above situations?

Read The Three Little Pigs to the class. Instruct them to pay close attention to the story and to listen for details because they will be asked questions about the pigs' decisions.

Teacher reads the story in this manner:

1. STOP after the first pig builds his house. Ask the students how the pig felt when his house was finished? Why had he chosen straw? What had he gained by building a house of straw?

2. STOP after the second pig builds his house. Ask the same questions asked of the first pig, only substitute sticks for straw.

3. STOP after the third pig finishes his house. Ask the students the same questions asked about the other pigs' houses. Ask what this pig gained in building a house of bricks? Ask what the pig had lost by building a house of bricks?

4. STOP after the big bad wolf has come to the home of each pig. Ask: Why did the house blow down? What would have happened if there had been a storm instead of a wolf? What would have happened if there had only been sunny days?

5. Complete the story and discuss:
   a. Which pig made the best choice?
   b. What did the third pig think of that the others didn't?
   c. If the first and second pigs could rebuild their houses, do you think they would use straw/sticks? What options would they use in making their decisions?

This activity could be presented as a puppet show or a play using simple costumes. In this case, the actors or puppets could be questioned by the class to discover answers to the above questions.

Attachment G

Students will make choices in specific situations and will identify the key reason for the selection made. Record student responses on the chalkboard or on a chart. The format for recording will be found on the next sheet.

Use the following situations or make up situations to fit your students.

SITUATIONS

1. A man is shipwrecked off an island. Before the boat sinks, he has time to take only one thing with him. Should he take a gun, a fishing pole, or his gold watch?
2. A family wants a pet. Only one may be purchased. The family lives in an apartment in a big city. What should be bought: a cat, a dog, a canary?
3. A girl and her dad live on an isolated island in a light house. The girl wants a toy. Should she buy a yo-yo or a kite?
4. Mother, Dad, and Janette are planning a vacation. They can go to only one place. They live in Dallas. Should they go to Six Flags Over Texas or to San Antonio on their vacation?
5. A boy lives on a ranch in Texas. He likes to go all over the ranch to play. His dad is going to buy some transportation for the boy. Should he buy a bicycle or a horse?
6. Etc.

After each choice is made by the class, have the class discuss what was given up in the situation. This is the "opportunity cost" of the situation. Have the students define "opportunity cost" in their own terms.

Attachment G
page 2

GAINED	GIVEN UP	GAINED	GIVEN UP
GAINED	GIVEN UP	GAINED	GIVEN UP
GAINED	GIVEN UP	GAINED	GIVEN UP

Attachment H

MENU-MENU

ENTREES

HOT LUNCH	$1.50
HAMBURGER	$1.00
HOT DOGS	$ .85
TUNA SANDWICH	$ .75
PEANUTBUTTER SAND	$ .65

SNACKS

FRENCH FRIES	$ .50
CHIPS	$ .35

SIDE ORDERS

BAKED POTATO	$ .95
CHEF SALAD	$1.00
SOUP	$ .75
CHILI	$ .75

DRINKS

MILK	$ .25
CHOCOLATE MILK	$ .25
APPLE JUICE	$ .25
DR. PEPPER	$ .65
COCA COLA	$ .65

SWEET STUFF - SWEET STUFF

ICE CREAM	$ .25
CHOCOLATE CHIP COOKIE	$ .65
BROWNIE	$ .65
JELLO	$ .25
CAKE	$ .50
CANDY BAR	$ .65
MINTS	$ .30

YOU MAY SPEND $1.50 0N YOUR MEAL EACH DAY. FILL IN THE ORDER BLANK ON THE NEXT PAGE TO BE SURE THAT YOU GET EXACTLY WHAT YOU WANT TO EAT.

Make two menus that you would like to have. Don't spend more than $1.50 on each menu. Use the sample menu to help with prices.

MENU PLANNER

CHOICES NO. 1		CHOICES NO. 2	
FOOD ITEM	COST	FOOD ITEM	COST

1. Will you choose No. 1 or No. 2 choices? Why?
2. What will you give up?
3. Will you have change?
4. Did any one have a lot of money left over? Why?

When you choose a good or service, you give up something in order to have the good/service of your choice. This is your "opportunity cost."

Attachment I

The Price Jar
(Gifted and Talented)

Materials:

A deck of 40 (3 x 5) cards. Forty is an arbitrary number and can be varied according to your situation. The important thing is to have an inverse relationship between the number of cards and their respective power. For example: A 40-card deck might include:

20 cards	two marbles for 10¢
5 cards	ten marbles for 10¢
15 cards	five marbles for 10¢

Procedure:

1. Examine two of the cards with the class. The students should note the per-unit price of a marble for each of the two cards. They should explain which card provides the "best buy" in terms of unit price.
2. Shuffle the deck and deal all the cards to the players (odd cards can be placed face down in the middle and go to the winner of the first "war.")
3. Each player arranges his/her cards in one pile face down.
4. Each player turns up his/her top card and shows it to the other players. The player with the best buy wins the "war," gets to take the other players' cards and adds them to the bottom of his/her stack. The game continues until one player has won all the cards or until time is called (then the player who has most of the cards wins).
5. In case of a tie, each player places three cards face down and turns up the fourth. The winner of the "war" takes all the cards (the three lying face down and the fourth card turned up).
6. Before the students play the game as an independent activity, it would be a good idea to model it with the whole class.
7. The decks of cards can be designed according to the ability level of the students.
8. Two to five players can play the game.
9. After the game is completed, display the three different marble cards and have the students explain why one card is the "best" and one is the "worst." You might prepare small bags of cookies, five per bag, for 6¢ a bag. The price of individual cookies would be 1¢. Have students determine what is the best buy. Students might also discuss recent good buys made by their families.
10. Note that the "best buy" in terms of unit cost may mean too much total outlay by the buyer. Primary grade children know that a big bag is not the best buy for them nor would it be for a very small family.
11. Discuss the decisions that the children had to make and whether or not opportunity costs were involved in the game. What were they?

White Elephant Auction

Materials: Auction items, envelopes, play money

When you begin this unit on "opportunity cost," ask the children to bring in white elephant items from home: items that are still in good condition but which their families no longer find useful. Keep the items on display in the classroom during the time you spend on this unit. Tell the children that they will have an opportunity to purchase some of the items with play money at the White Elephant Auction.

Prepare a sealed envelope for each pupil containing amounts of play money from $15 to $25 and distribute them randomly on the morning of the sale. Before the sale begins, arrange for someone to act as a record keeper for the sale to keep track of the items sold, the buyers, and the amounts paid for each item. The teacher may act as the auctioneer, setting the minimum bids and accepting whole dollar bids only.

At the end of the auction discuss the experience with the class.

1. How did the supply of various items affect your purchasing plans?
2. What can you say about the desirability of items that were scarce? Of the items, which were plentiful? How did these conditions affect the market clearing price: that is, the price at which demand dropped off?
3. How did your limited resources affect your purchasing plans and purchasing power?
4. What was your personal opportunity cost in this exercise?

Have each student draw a picture of a farmer leaning against a large tree in front of his home. He has a puzzled look on his face.

Discuss:
A man has just offered to pay the farmer a lot of money to buy the tree from him. If he buys it, he will cut the tree down and cut it up to make furniture from it.

What choices does the farmer have?

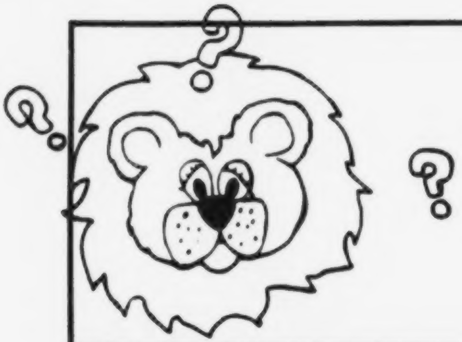
What things does he need to consider?

Are there other options?

What if the farmer had just lost his crop for the year and would get no crop money? Would this influence his decision?

What would you tell the farmer to do? Why?

What would be the "opportunity cost"?



MAKING DECISIONS

DECISIONS Underline your decision.	OPPORTUNITY COST Write your opportunity cost.
Play softball Watch TV	
Baby sit for a neighbor Go to a movie	
Put your allowance in savings Buy a new game	
Do homework Ride a bike	
Read a good book Mow the lawn	
Go shopping Visit a friend	

Twenty Questions

1. Make a list of goods/services that the students want.

2. The teacher (or a student) secretly selects one of the items from the list.

3. The students try to determine which of the items has been selected by asking questions which can be answered with a "yes" or "no" response. Important: The students can ask only one "is it......?" question (e.g., Is it a dog?) They must ask other types of questions until they know for sure what the item is. Then they can ask the "Is it...?" question. The number of questions can be limited or a time limit can be placed on the activity.

4. After the students are familiar with the game, add the constraint that questions must make reference to personal preference or taste (e.g., Would a young boy want this? Would a person on a diet want this?).

5. Now add the constraint that questions must deal with price (e.g., Is the price less than 50¢?).

6. Discuss the importance of asking good questions when one is making a decision in which "opportunity costs" are involved.

Attachment N

Physical Education Equipment

Materials: A tape recorder, a price list to fit the times being discussed, a chart.

Procedure:

1. Gather the students around a chart displaying a price list of P.E. equipment (this list should be available through the district office or the secretary may have an appropriate catalog on file in the office).
2. Tell the students that the school (your grade, the primary grades) has $20.00 to buy some new equipment. Ask them to decide which equipment should be purchased.
3. The tape recorder should be used to record the students' discussion.
4. After the students have decided (or after you feel that sufficient discussion has taken place), tell the students that you want them to listen to their discussion.
5. Present a chart similar to the one pictured below:

TASTE	PRICE	LIMITED FUNDS

6. Review the meaning of each of the three headings: TASTE, PRICE, LIMITED FUNDS
7. Tell the students you are going to play back their discussion. Ask them to raise their hand whenever they hear a comment that refers to either taste, price, or limited funds. It would be a good idea to give several examples of each case. (Tom said he likes football better than foursquare. Juanita said a football costs $7.00. We only have $20.00.)
8. Each time a student raises his/her hand, stop the tape recorder and discuss the comment that was made. Either a tally could be make in the appropriate column or a key phrase could be listed in the appropriate column. (e.g., football better than foursquare--Tom, etc.)
9. After the tape has been coded, ask the students to make some general statements about their tastes, how price affected their decision, and how the $20.00 limitation affected their decision. These generalizations could be added to the bottom of the chart.

Grade Level: **Third**

Concept: **Specialization and Productivity**

Teacher Terms

Economic specialization occurs when people produce a narrower range of goods and services than they can consume.

Student Terms

Most people work at jobs where they produce a few special goods or services instead of trying to produce everything that they consume.

Objectives

The third grade student will be able: **to recognize two or more adults in the community who specialize in the production of a good or a service.**

Resource Materials

- Yellow Pages of a telephone directory
- Construction paper and glue
- Scissors
- Poster board
- Markers
- Items for cooking or sewing project
- Worksheet "Division of Labor"
- Camera, film
- Crayons
- Kool-Aid, sugar, pitcher, glasses
- Magazines
- Encyclopedia
- Burlap
- Manila paper
- Hamburger pattern sheets

Focus

1. Use the Yellow Pages of a telephone directory or other references. Take one of the following categories and discover how many specialized subcategories there are: doctors, restaurants, repair people, schools, attorneys, etc. List or chart the findings.

2. Assume the various roles of people in a community. Investigate and list specific jobs in the community. Have each student assume a community provider position and identify his/her job and the specialized helpers who are needed to provide that particular good/service. Share these with the class (Attachment A).

3. Arrange to have the custodian leave the room uncleaned. Discuss the fact that the custodian is a specialist who does an important job. Discuss the impact of what has occurred since that job was not performed. Have students identify what has gone undone. Have students perform all of the tasks. Then tell them that because they have used their class time cleaning math (for example) must be done for homework or during freeplay time. Why is this necessary? Emphasize that every specialized job is important in providing goods and services and specialization requires that everyone do his/her job.

Modeled and Guided Practice

1. Post photos of 10-15 workers in the school or community on the wall or on a board. Also create some service/goods cards. On these cards, paste magazine pictures or draw pictures illustrating the production of a variety of goods and services, e.g., food preparation. Students will draw a card from a stack and will place the card below the picture of the worker who produced that good/service. Discuss: What skills/tools/ training, etc. are needed to do the job? Then the next student draws a card. Game can be played by the class or in groups.

2. Make a book, "The Awesome Apple Adventure." Each page will have a picture and a caption about the apple (from orchard to consumer). Students first brainstorm the steps in apple production and marketing. The students next will complete a book (one picture per page with a caption for that picture). The student will identify the specialist involved at each step of production and describe what is happening. Students will provide appropriate introductions and endings for the book. Color the pictures, design a cover, and bind.

3. Visit the school cafeteria and see how lunch is prepared. Ask students to write down the various jobs that they see being performed. On return to the class, discuss what jobs were done and perhaps what would happen if one worker skipped doing a certain job? What is being produced? Is it a good or a service? Where do the resources for the job being done come from? Discuss what a specialist is and the interdependence of workers. The class might design badges for the cafeteria workers and send them as "thank yous" for the tour. The badges might read: Cutting Specialist, Mixing Specialist, Baking Specialist, etc.

4. The class will list on the board and then write a story, or draw pictures, of "The Life Story of a Hamburger" (Attachment B) or other product that takes many people to produce. Name each step of production and the specialist at each step.

5. The class will develop a real or imaginary product (cookies, muffins, assembly line sewing, art, etc.). Produce the item in three different ways. First, have each student make one example of the product. Second, have the class divide into groups and make assembly line products. Third, use the assembly line method. Ring a bell every three minutes and have students change jobs in the line at each ring of the bell. Complete the task each time. Then, compare and contrast the three methods of production. Students will write a paragraph describing each method of production and which is the most efficient (Attachment C).

6. Plan a project (birthday party, schoolyard clean up, class newspaper, etc.). Divide the job into smaller tasks. Create a plan for accomplishing the tasks quickly and well. Then go about producing the project (Attachment D).

Independent Practice

1. Write about, act out, draw, or make a cartoon that would depict "What would happen if we didn't have specialization?"

2. Role-play what you think would happen if one doctor or teacher (for example) had to do everything. Example: A doctor has to do operations, care for all kinds of illnesses, do dental work, work on eyes, study hearing problems, etc., as well as act as a receptionist, nurse, recordkeeper, custodian, etc. You may make the role play funny. You may ask others to help you produce the role play.

3. Read The Bernstain Bears and Mama's New Job. Discuss the jobs of the family members in the story. Then write a story about your family and the jobs that each person does. Or create a picture book, illustrating the people in the family doing their jobs.

4. Make a line that traces all of the people (steps) required in producing a product from natural resource to consumer (Attachment E).

5. Select pictures of jobs that provide goods or services. Then make HELP WANTED ADS to post around the room. Using tagboard, create an advertisement by gluing pictures of each job on the tagboard and lettering: HELP WANTED: (name of job). Then list the qualifications and training

needed, when and where the job will be performed, the salary and benefits, the boss who is to be contacted, the product to be made, etc. After the ads are displayed, ask students to view the display and then discuss the ads (Attachment F).

6. Work a word find/puzzle identifying economic terms that are identified with "productivity" (Attachment G).

7. Produce a class or school newspaper. Each person assumes a specific job. After the paper is published, discuss the resources used and how each specialized job was important for the final product to be made. Follow up the project with a field trip to the local newspaper or view a film about newspaper production. On the chalkboard, list all of the specialized jobs in making a newspaper. Ask an editor to talk to the class.

8. Choose one or more of the following and research to find out how many different kinds of jobs are involved in the production of: car, book, shoe, bread, blue jeans, or a product made in your community that you are familiar with. Write down each of the jobs involved in the production of the product on strips of paper (one job per strip). After the job has been placed on the strip of paper, glue the ends of the strips into a link of a paper chain. All of the strips involved in producing one product should be joined together in the order they occur in production. After each student has completed his/her chain, the chains could be joined together to symbolize the interdependence of workers in the community. A discussion could follow (Attachment H).

9. Make a "Family That Works Together" booklet which will illustrate all of the special jobs that are done at home to make it possible for the family to survive. Chapters could include: Jobs Done by Dad, Jobs Done by Mom, Jobs I Do, etc. After the completion of the writing, the students will design a cover and a Table of Contents for the book. Then they will bind the book.

Evaluation

1. Students will identify the resources used in the production of a birdhouse (Attachment I).

2. Given sequence cards that trace the production of one good or service from resource to consumer, showing the persons who did the work at each step, students will line the cards up in sequential order, punch a hole in a corner, and insert a brass brad to make a packet.

3. Students will play a matching game, "Capital Concentration" (Attachment J), that matches producers and capital goods. The game is played in groups of two or three.

4. Students will create a bulletin board that illustrates "specialization" or "division of labor."

5. Students will write a poem or story about a "specialization" used in producing a specific good or service. (e.g., a poem about the fire station or the grocery store, etc.)

6. Students will make a mural showing the many jobs needed to produce a good or service.

Extension

1. Interview a parent about his/her job. Discover if the job provides a good, a service, or both. Tell the class about the job. (Name it, tell where your parent works, tell some of the things that are done in the job.) The class will vote and decide if the job is a good or a service. The job could be listed on the board in an appropriate category. Then see if parents' jobs produce more goods or services.

2. Play "What's Our Line?" (Attachment K)

3. Make a collage to show jobs in the production of a good or a service.

4. Identify terms and complete an Anagram Puzzle (Attachment L).

5. Complete a cause and effect activity relating to possible situations in production (Attachment M).

6. Set up a Paper Cup Factory activity (Attachment N).

7. Using a box of hats or student-made costumes that illustrate different occupations, the student will choose a hat or costume from the box and will role-play the occupation the hat/costume represents. The class will identify the job and will tell the qualifications needed for the job. On the chalkboard, show how families in a community depend on each other for goods and services due to specialization. Write or draw about an occupation that you might do when you are grown.

Additional Resource Materials

- Strategies for Teaching Economics, Primary Level 1-3
    - a. "Dividing the Labor," p. 96
    - b. "Making Jack-O-Lanterns with Division of Labor," pp. 96-97
    - c. "Rewards of Higher Productivity," p. 97
    - d. "More Time for Play," p. 83
    - e. "Distributing Treats at a Halloween Party," p. 98
- Exploring the Community Marketplace (Lessons 9, 11, 27, 28, 29)
- Primary Film Series
- Books
    - a. Backstage Broadway, Thomas
    - b. The Bakery Factory--Who Puts the Bread on Your Table, Jenress
    - c. Bananas from Manolo to Margin, Ancona
    - d Baseballs' Most Valuable Players, Butler
    - e. Black Sunshine--The Story of Coal, Burt
    - f. Blue Jeans, Rosenbloom
    - g. Coconut, the Tree of Lifer, Leyer
    - h. The Fire Station Book, Bundt
    - i. First Class: The Postal System in Action, Roth
    - j. From Seed to Salad, Johnson
    - k. Gift from a Sheep, Eiseman
    - l. Girls Can Be Anything They Want, Foote
    - m. In My Town, Scaring
    - n. Jobs People Do, Moncure
    - o. Katydids: The Singing Insect, Ford
    - p. Little Monster at Work, Meyer
    - q. Oranges, Watts
    - r. People Who Help People, Moncure
    - s. Peter's House, Sobol
    - t. Popcorn, Selsam
    - u. The Popcorn Book, De Paola
    - v. Postman Pig and His Busy Neighbors, Slay
    - w. Rice, Watts
    - x. Tomatoes, Watts

y. Wheat, Watts
z. Work With Us in a Hospital, Wilkinson

- Audio Visuals
    a. Primary Economics Series, 12; BFA Educational Media, 1972
    b. Workers Depend on Each Other, Coronet Films, 1972
    c. Specializing and Exchanging, Teaching Resources Films, 1971
    d. Captain Silas, Yellow Bison Productions, 1977
    e. Produce - From Farm to Market, Encyclopedia Britannica Educational Corp. (EBEC), 1967
    f. The Factory: How a Product Is Made, BFA 1957
    g. Land, Labor, and Capital, Oxford Films, 1972
    h. Bakery Beat, Aims Instructional Media Services, Inc., 1966
    i. Divisions of Labor, Oxford Films, 1973
    j. Economics: Workers Who Build Houses, BFA Educational Media, 1970
    k. How Clothing Is Made. The Story of Mass Production, BFA Educational Media, 1965
    l. Jobs in the City, Centron Education Films,1972
    m. Lettuce from Field to Market, Classroom Film Distributors, Inc., 1963
    n. Why Fathers Work, Encyclopedia Britannica Educational Corp., 1969
    o. Why Mothers Work, Encyclopedia Britannica Educational Corp., 1976
    p. Chain of Experts: Division of Labor, BFA Educational Media, 1969

SPECIALISTS IN A COMMUNITY

1. List on the board the "specialists" in your community. Use not only professionals but also providers of various goods and/or services that require a particular skill or specialization.

2. Ask students to choose one job to research.

3. Have students gather data about the "position" and about the related jobs that assist in the performance of the chosen position. (For example: Doctor--related jobs: nurse, receptionist, building owner, pharmacist, bookkeeper, etc. List could be expanded to include providers of electric service, water, etc.)

4. Ask students to complete the following form.

SPECIALISTS IN A COMMUNITY

POSITION: ________________________________

Where the specialist works ________________________

What is done on the job __________________________

Other specialists who help make this special job easier

____

________________ ___________________________

5. Share the list with the class.

6. Then bind into a folder entitled "Specialists in a Community" or make a wall display using the forms.

LIFE STORY OF A HAMBURGER

1. Write the story, "The Life Story of a Hamburger."
2. Write the story on paper shaped like parts of a hamburger. Be sure to write some on each page.
3. After the story is completed, assemble the pages into a booklet. Color the pages and staple it together.

THE STORY:

1. First list all the ingredients in a hamburger and where the hamburger was made.
2. Then make a list of those who produce each product.
3. Do prewriting to plan a story. Decide whether it will be funny, sad, factual, etc.
4. Write a rough draft of the story and edit it.
5. Finally, on special paper, write the final copy.
6. Cut out, color, assemble.

Attachment C

A. COOKIES (MAKES 3 DOZEN)

Mix in electric skillet and boil for one minute
2 cups sugar
1/2 cup milk
1 stick margarine

Turn heat off and add:
1 cup extra-crunchy peanut butter
3 cups uncooked oats
1 teaspoon vanilla

Stir well and drop from teaspoon onto waxed paper (4 tablespoons cocoa may be added to the first mixture for a chocolate flavor. In this case, increase peanut butter in the second mixture to 1 cup).

Do the activity in groups of eight. Each student should assist. Set out ingredients, a measuring tool set, and the recipe written on chalkboard. Assign each student one step of the assembly line to add ingredients. Discuss.

B. MUFFINS (Makes I DOZEN)

2 cups whole wheat flour
2 teaspoons baking powder
1 teaspoon salt
1 egg, beaten
1/4 cup oil
1/2 to 1/4 cup honey or molasses
1 cup milk
Combine dry ingredients in a bowl. Combine wet ingredients in another bowl. Quickly fold wet and dry ingredients together, mix only until flour is moistened. Spoon into greased muffin tins. Bake at 400 degrees for 20 minutes.

C. (HOMEMADE BUTTER)

Pour 1 cup heavy cream into a clean glass jar. Add a dash of salt. Put in a clean marble. Screw on the lid. Ask students to sit in a circle and pass the jar, giving one shake, two shakes, three shakes each. Students keep passing the jar around and shaking it until the butter is made. Let the class enjoy the muffins and homemade butter.

Discuss assembly line production.

Attachment D

DIVISION OF LABOR

For: ____a family____a business____a community
____a school____a factory

person:
job:

person:
job:

person:
job:

person:
job:

person:
job:

person:
job:

write or draw

Attachment E

Producing a Product

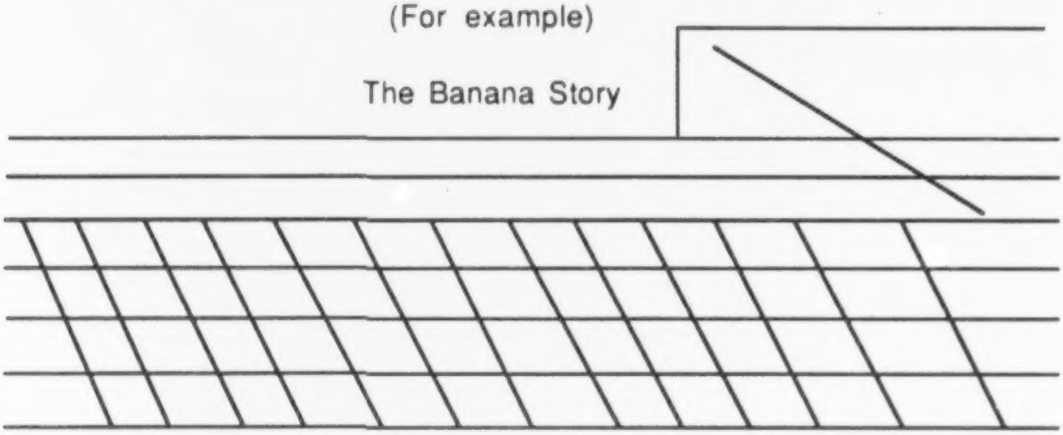
Working individually or in groups, make a time line to trace the steps in the production of a particular good or service. This may be done on the board, on butcher paper, etc.

1. Give the project a title.

2. Draw the line.

3. Insert and identify the steps (people) involved in production.

(For example)



4. Words and/or pictures/drawings may be used on the time line.

Be creative!

Attachment F

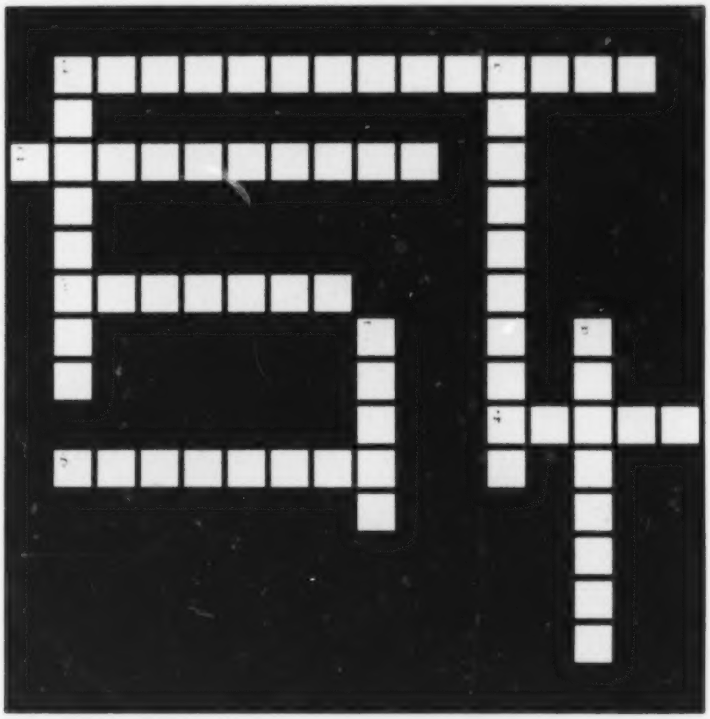
HELP WANTED

Barber

QUALIFICATIONS:	HIGH SCHOOL GRADUATE BARBER SCHOOL GRADUATE STATE LICENSE
NEEDED BY:	BILL'S BARBER SHOP 715 MAIN STREET BIG CITY, TEXAS
SALARY AND BENEFITS:	$2000 A MONTH HEALTH INSURANCE TWO WEEKS VACATION FREE HAIRCUTS AND SHOESHINES
SEE:	BILL (for interview at the shop)

Attachment G

WORD BANK: MONEY CAPITAL TECHNOLOGY EXCHANGE GOODS SERVICES PRODUCER SPECIALIZATION PRODUCTION



Across:

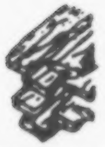
1. A situation where workers do particular jobs.
2. Process of combining resources to make goods and/or services.
3. Resources used to produce goods and services, such as tools and machinery.
4. Tangible objects used to satisfy individual wants and needs.
5. Transferring of goods and services.

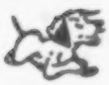
Down:

1. Something intangible bought and sold; satisfies a want or need.
6. Scientific and mechanical knowledge and skills used to produce goods and services.
7. Anything accepted in exchange for tools and services.
8. A person or group who organizes production to make goods or services.

Answer Key: Across: 1. specialization; 2. production; 3. capital; 4. goods; 5. exchange; Down: 1. services; 6. technology; 7. money; 8. producer

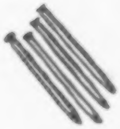
1. Using different colors of construction paper, cut strips of paper 1 1/2" x 8".
3. Fold the strip of paper, glue the ends together (with the name of the specialist on the outside) and form into the shape of a loop in a paper chain.
4. Join the loops together to form a paper chain. The final loop should contain the name of the product made or produced by this process.
5. Students will explain the chain of production of the products.
6. After all of the students have explained their chains, the chains could be joined together. Then students can discuss how interdependence exists between workers who need goods and services other than those that they produce in their jobs.

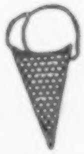


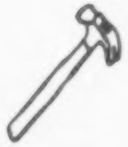


Attachment I

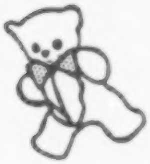
Circle the resources that make up the cost of production for building a birdhouse.

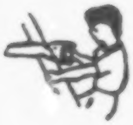






ART WORK





Jason and Alice can build a birdhouse at a cost of $2.50 and sell it for $3.00.

1. Suppose the price of lumber increases, what will happen to the cost of production for birdhouses? It will:
   [✓ increase] decrease
2. Suppose the cost of lumber decreases, how many birdhouses will they want to sell at a price of $3?
   [✓ more] fewer
3. Suppose consumers are willing to pay only $2 for a birdhouse. How many birdhouses will they sell?
   more [✓ fewer]
4. Suppose consumers are willing to pay $6 per birdhouse. How many birdhouses would they sell?
   [✓ more] fewer

Attachment J

CAPITAL CONCENTRATION

1. This game is designed for two players.

2. Equipment needed: Fourteen 3 x 3 cards cut from poster board. By drawing the pictures or using pictures cut from magazines, prepare seven "producer - capital goods pairs." Have each pair color-coded on the front side for self-checking.

PRODUCERS	CAPITAL GOODS
nurse	hypodermic needle
chef	pots and pans
driller in a hardhat	oil derrick
mail deliverer	mail cart or bag
mechanic	tools (wrench, pliers)
etc.	etc.

(For more than two players, increase the number of pairs.)

3. The cards are shuffled and turned face down. The first player turns two cards face up to try for a matching pair. If the player gets a match, he/she keeps the pair and tries again, continuing until he/she turns up two cards which are not a match. These two are then turned face down, and the other player takes a turn. This process is repeated until all cards are taken. The player with the most pairs wins.

Attachment K

WHAT'S OUR LINE?

1. Students are divided into teams of three or four.

2. The team that is "it" will go to a scheduled planning area. They will choose a "business." They will select and/or identify the specialists in that business. (Each player will assume the role of one specialist in the business . There will be NO DUPLICATE ROLES.)

3. Teams return to the room and seated area. One team goes to a table in front of the class and is seated as the "panel."

4. Members of one other team will ask "yes" or "no" questions of the panel members and try to guess their "business." There will be two rounds of questions. (Other teams will be the audience.)

5. After the two rounds of questioning, the team questioners will attempt to guess the "business" the panel is involved in by asking one question each of the panel: "Is your business _____________? Are you a ________________?

6. Students in the audience could write down their guesses on slips of paper and sign them.

7. When the "business" is disclosed by the panel, the team of questioners becomes the new panel, and the old panel moves to the audience.

8. If the panel stumps the questioners, the panel team gets 25 points. If the questioners guess the "business" correctly, the questioning team gets 25 points. Any audience members who have written the correct "business" on their slips of paper will earn 10 points per guess for their team. The team which gets 150 points first is the winning team.

WORK BANK: capital goods technology labor increase money production resources natural

DEFINITIONS:

1. Raw materials, labor, and capital used in production of goods and services.
2. Scientific and mechanical knowledge and skills used in producing goods and services.
3. The process of combining resources to make goods and/or services.
4. Real, not artificial.
5. All wage-earning workers; people who are willing and able to work.
6. Anything acceptable in exchange for goods and services.
7. The resources (such as tools and machinery) used in the production of goods and services.
8. To become greater.
9. Tangible objects used to satisfy individual wants and needs.

ANAGRAM PUZZLE:

Answer Key: 1. resources; 2. technology; 3. production; 4. natural;
5. labor; 6. money; 7. capital; 8. increase; 9. goods
secret word: ECONOMICS

Cause and Effect: Match each cause statement to its effect statement.

CAUSE

______1. The local shoe factory has problems with its main sewing machine.
______2. A storm tore down all the power lines.
______3. The school cafeteria has a defective water pump.
______4. Cars using too much gas have caused an energy problem.
______5. Mom has purchased a new super powered vacuum cleaner.
______6. The washing machine at home is broken.
______7. Maria has no scissors to cut her pictures out for the collage.
______8. The lawnmower blades are dull.

EFFECT

a. All the lights went off.

b. There will be a problem preparing lunch.

c. It takes twice as long to cut the grass.

d. Manufacturers will produce smaller cars with less gas usage.

e. There is a decrease in the number of tennis shoes produced this week.

f. The floors and carpets have been much cleaner lately.

g. Mom called a repairperson so she could do the laundry.

h. She tears the pictures out of the magazine.

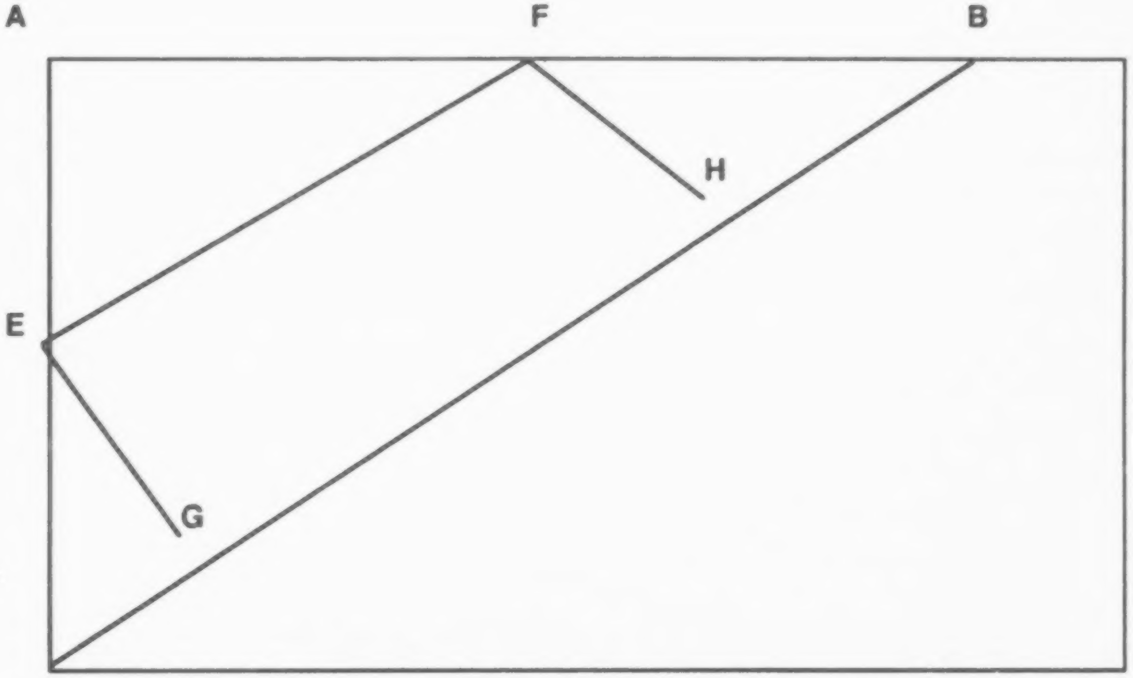
ANSWER KEY: 1. e; 2. a ; 3. b; 4. d; 5. f; 6. g; 7. h; 8. c

Attachment N

Assembly Line

A PAPER CUP

1. Fold on line DB so that points A and C come together.
2. Fold on line EG so that points D and F come together.
3. Turn cup over. Fold on line FH so that points B and E come together.
4. Tuck point C into the pocket made by line FB.
5. Turn cup over. Tuck point A into the pocket make by line DE.
6. Decorate finished cup.



Grade Level: **Third**

Concept: **Exchange and Money**

Teacher Terms

People exchange goods and services voluntarily because they expect to be better off after the exchange.

The most primitive form of exchange is barter--the direct trading of goods and services between people.

Student Terms

When two people trade because they want to, they both expect to gain.

Barter is trading goods and services without using money.

Objectives

The third grade student will be able: **to select examples of voluntary exchange and state the difficulties involved in bartering.**

Resource Materials

- Foreign coins and currency
- U. S. coins and currency
- Blanket, nails, beads, shells
- Salt, flour, sugar
- Skin, fabric
- Chart paper
- Play money
- 3 x 5 cards
- Butcher paper, paper, construction paper, tagboard
- Magazines, glue, scissors
- Markers and crayons
- Story books and encyclopedias
- Peppermint candy
- Items from home
- Paper sacks
- World map
- "Pit" game
- Newspapers
- Items for art project and cooking project

Focus

1. Create a display of foreign coins and currency and of U.S. coins and currency. Let students view the display. If possible, have a conversion table for the various monies showing United States and foreign values of each money represented. Discuss which items (monies) in the display could be taken to a mechanic shop to pay for auto repairs, to the corner store, to the movies, etc. Why aren't the other monies acceptable? Where can you use them? Could you use U.S. money in other countries? Have the group define "money" (whatever is acceptable by a group in exchange for goods and services). Also discuss other means used to obtain goods and services. Introduce the concept of bartering and help students define the term; give examples.

2. Read a selection to the class involving bartering. The story could be a history-based selection, e.g., "Columbus." Set up a display related to the story and the trading that went on in the story. (The display could contain beads, blankets, shells, salt, flour, sugar, fabric, etc.) Discuss how each item was used as a means of trading and how the items served as a kind of money in history. Discuss why these and other items were important for early settlers in their community. Did they use money to obtain what they needed? How did they get things? Define "bartering."

3. Present the student with a variety of consumer-related situations involving items and their costs. Using "yes" or "no" response cards, the student will indicate whether or not the purchase would be a "good" or a "bad" buy (Attachment A).

4. Have students list the various items that they would like to buy. Also list the selling price of each item. Discuss the difficulty students would encounter in making purchases if there were no money prices on the items. (How would you know which item was the most valuable?) NOTE: often the amount of an item we purchase depends on how high or low its posted money price seems to be. Discuss: What then is money? If money prices are not listed on goods, how else might you obtain them (stealing is not an option). Would every trade be equal? Why? Why not?

5. You are on a desert island with 100 $1 bills. What good is the money to you?
   a. You are hungry. Can you buy food? Can you eat the money?
   b. You need warm clothes. Can you use the money to buy clothes?
   c. Will money protect you from the rain, wind, sun? What then is money?

   NOTE: Money is only a claim on goods and services that are for sale. If other people are on the island, how could each of you obtain the things you need and want without providing them all by yourself? What will you use to make exchanges of goods and services?

6. Have students suggest services that people can provide for one another. List these on the board or on a chart, e.g., dentist--fixes teeth. When 10 services have been listed, stop and have the students explain how these services are exchanged or how payment is made for each. If money is used, where did we get it? Bring up the subject of bartering and trading and ask how goods and services are exchanged in our society. If we used bartering for services, the garbage collector would only collect the dentist's garbage when he needed to have dental work done. Therefore, the dentist would let the garbage pile up or would have to haul it off himself. Go through similar processes with each of the 10 services listed. In the discussion, note that money allows people to specialize. Money makes exchange of services easier. Define "money" and "barter."

7. Students will work in groups of five or six, playing a card game in which they try to trade cards and end up with a specific combination of cards through bartering. A discussion will follow (Attachment B).

Modeled and Guided Practice

1. Students will experience shopping in five different stores, each of which requires a different type of "money." They will have shopping lists of things that they will try to purchase. Following the simulation, discuss the problems of having so many kinds of money. Why is standardized money best? Would barter be preferable to using money? Why? Why not? (Attachment C)

2. Using 3x5 cards, write one word such as butter, cattle, bottle caps, dresses, apples, eggs, pencils, cats, paper, shoes, or candy on each card. Students will work in groups of three or four. Give each group one word card. Tell the students to pretend that they live in a world in which money has not yet been invented. The word on the card they have identifies what the group is saving in order to store value. Ask each group to list the advantages and the disadvantages of saving that item. Have a representative for each group report one advantage and one disadvantage of saving the group's item.

3. Students will participate in a simulation using trading cards (Attachment D).

4. Have students create cartoons illustrating bartering situations. Tell them to write captions for their cartoons.

5. Set up a visit to a local store, the cafeteria, or a school store. Prearrange the trip with the manager. Students will each have a $1 bill and $1 worth of items that could be traded for goods or services. The items will be in sealed bags. The students will shop in the store and select an item that will be worth $1. They will say to the storekeeper, "I can pay for this with a $1 bill or with $1 worth of ___________. Which do you want?" Once the storekeeper has made his/her choice of payment, the student will ask the reason payment was chosen in the form selected. After returning to the classroom, discuss which choices the storekeeper made. What were the reasons? Why did he/she prefer money? What did each party gain in the transaction?

6. Present the class with a variety of situations. They will, in turn, describe the barter problem in each situation (Attachment E).

Independent Practice

1. Students will read an historical selection, e.g., "Coronado." Then they will identify the parts of the story where bartering occurred. They will write a description of the barter.

2. Students will play a card game in which they match occupations to goods and services (Attachment F).

3. Class members will decide upon a new money system. They will design coins, bills, etc. They will name the new money, tell the amounts, describe the uses of the new money, and tell what it is made of. Finally, they will discuss the definition of "money."

4. Students will complete word searches relating to money (Attachment G).

5. Students will make posters to illustrate a barter situation.

6. Students will make up a skit or puppet show illustrating a bartering situation.

7. Tell students: "Pretend you are on a space ship and are landing on another planet. You will need to bring back proof that there is life on that planet. What will you take to trade with the planet inhabitants? Write a story about your space trading adventure."

Evaluation

1. Students will describe how a specialist gets the goods and services he/she wants or needs.

2. Students will write a story illustrating the use of bartering.

3. Students will complete a worksheet identifying bartering and money (Attachment H).

4. Given facts about a make-believe town, the student will draw conclusions concerning bartering and the use of money (Attachment I).

5. Given three situations, the student will respond appropriately to the situations involving barter and using money (Attachment J).

6. Students will compare and contrast the benefits of money vs. barter. They will each fold a sheet of paper into two sections lengthwise. They will label one side "money" and the other "bartering." Students will then list the advantages and disadvantages of each means of gaining goods and services.

Extension

1. Read Stone Soup to the class and identify the contributions/exchanges in the story. Divide the class into groups of five or six. Have each group bring one item for making soup (hamburger, corn, potatoes, etc.). The next day, have each group decide what they want in their soup and begin to trade with other groups to get the items they want. After five minutes of trading, stop the session. Let each group put together what they have. Ask room mothers to be available with electric skillets and crock pots. Let mothers and students prepare the ingredients and start the soups cooking for lunch. Discuss: "What is in each soup? Was it what the group members desired? How did they get all of the items? Did anyone refuse to trade with them? Why?" Have the soup for lunch.

2. Lead the students in a discussion of places and situations in our society where barter still is used as a means of exchange. List these.

3. Have students play, "Pit," a commercially produced bartering game based on the grain market. Discuss game dynamics.

4. Tell students to look at the classified ads in the local newspaper and locate examples of bartering. Have them share their findings and discuss.

5. Divide the class into families. Tell them they are living in Texas in 1837. What would each family need to survive? List. Then discuss, within each family, how the family would obtain the needed items? Each family will write and tell its story to the class. Or the story may be presented as a play.

6. On the bulletin board, set up a "Trading Board." Ask students to put ads on 3x5 cards listing items they want and what they have to trade. See what barters can be struck. Then give each student five $1 bills of play money. The students may use these in the bartering process. Again let bartering and trading occur. Next display a large jar of candy or bags of popped popcorn. Enter the trading process, accepting both money and selected goods for the candy and popcorn. Discuss what has happened at each level of trading.

Materials: One "Yes" or "No" Response Card for each student.

The list of transactions.

Procedures:

1. Discuss and show examples of coins, paper money, checks, and credit cards.

2. Read the first sample transaction to the students--"Pay $4 for a plastic squirt gun"--and ask them if it is a good buy or not. If a student says it is a good buy, probe to find out why he/she thinks so. Most students will say it is a poor buy, but some may have a super-duper squirt gun in mind, and then it might be a good buy. Have students identify the normal way that their parents would pay for the squirt gun.

3. Pass out the response cards. Tell the students to hold up the card to show if an item is a good buy. Demonstrate how to do this.

YES
NO

4. Go through the list of transactions, asking the students to show whether something is a good buy or not. Be sure to probe to find out why students disagree in each case.

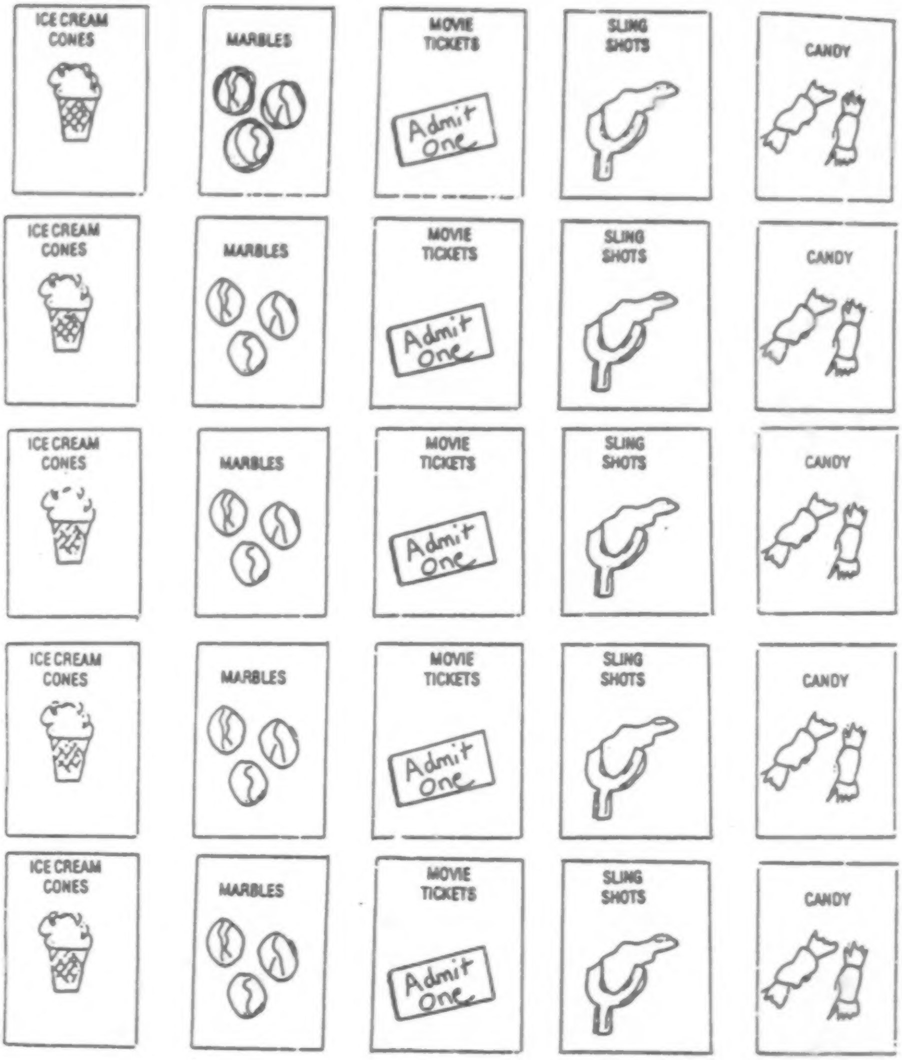
List of Transactions:

- Pay $2.50 for a comic book
- Pay $15 to park in a lot for two hours
- Pay 10¢ to get into a circus
- Pay $100 for a new family car
- Pay 5¢ for a piece of gum
- Pay $60 for a new 12-speed bicycle
- Pay 10¢ for a chocolate sundae
- Pay $300 for a puppy
- Pay 5¢ for a goldfish
- Pay 5¢ for a grape
- Pay $500 for a piece of bubble gum
- Pay $1 for a typewriter
- Pay 1¢ for a box of caps
- Pay 10¢ for a tissue
- Pay $19.95 for a pad of notepaper
- Pay 16¢ for a kite
- Pay 16¢ for an ice cream cone
- Pay 16¢ for a flashlight and two batteries
- Pay $200 for a new house

Materials: 50 trading cards (10 each of five cards). Teacher may modify the game by decreasing the number of some cards and increasing the number of other cards. Add two to five cards labeled "MONEY." A money card acts as a wild card or joker and can be used in any combination to represent any card.

Procedure:

1. Use groups of five or six children. Each child is dealt five cards and the remaining cards are mixed up in the middle, face down.
2. The first player may trade any number of cards in his/her hand for the same number of cards that are spread out, or may ask another player to trade any number of cards.
3. The child who gets five different cards wins the game.
4. At the end of the game, discuss problems children had with trading and point out that the money card is much more flexible.


ICE CREAM CONES
MARBLES
MOVIE TICKETS
Admit One
SLING SHOTS
CANDY
ICE CREAM CONES
MARBLES
MOVIE TICKETS
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MARBLES
MOVIE TICKETS
Admit One
SLING SHOTS
CANDY
ICE CREAM CONES
MARBLES
MOVIE TICKETS
Admit One
SLING SHOTS
CANDY

Have the students select five local stores and list these names on the blackboard. Under the name of each store, list several goods that might be purchased in the store. Suggest five different things that could be used as money. For example: the hardware store will accept only salt as its medium of exchange, the music store accepts only bronze fish hooks, the shoe store takes rabbit tails, the bakery uses shark's teeth, and the meat market uses seagull feathers. Decide together how much the goods listed under each business will cost. A chocolate layer cake at the bakery might sell for a shark's tooth. A new hammer at the hardware store might cost two pounds of salt. Next have the class set up items as if they were for sale at the stores. Give each child five cards with which to go shopping. Each card will have the name and/or picture of one of the kinds of money and a number designating the quantity.

1	5	3 lbs.	1	10
fishhooks	rabbit tails	salt	shark teeth	seagull feathers

As a student tries to shop, he/she will need the correct type of money at each store. If the student does not have it, a trade can be made with another student consumer. Several consumers should shop at one time. After everyone has tried to buy their goods, discuss with the students the problems they had completing their shopping trips. Do their parents have these problems when they shop at several stores? Help them arrive at the reasons that the same unit of money is used by everyone in our culture (it isn't too heavy and is easy to carry, it is easily divided for change making, it doesn't rot or break, it is the same value, etc.) Then discuss: How many seagull feathers would it take to equal one shark tooth? Etc.

Attachment D

Materials: Five packets of trading cards.

a. Fifteen gum cards (five grape, five orange, and five unsweetened spearmint)
b. Three candy bars (one chocolate and two licorice)
c. Two soft drink cards (one cola and one orange)
d. Three fruit cards (two apple and one orange)
e. Three dozen donut cards (one chocolate-covered, one glazed, and one jelly-filled)

Five money packets, each containing eight 5¢ cards and ten1¢ cards.

A price list for the store (on large chart paper or a poster)

gum	3¢ each
candy bars	15¢ each
soft drinks	25¢ each
fruit	15¢ each
donuts	15¢ each

Procedure:

1. Select five students to be traders. The rest of the class will observe. OPTIONAL: Divide the class into several small groups and have students within each group act as a unit.

2. Give each of the five students a packet of trading cards. Have the students look at their cards and note that the other students have different items on their cards.

3. Designate a trading area (the five students will walk around in this area and trade). The rest of the class will watch and observe what happens (who trades, who doesn't trade, what kind of problems develop?) After sufficient time, stop the trading and record some of the trades that were made.

Jim	Mary
2 cookies	1 apple

Pete	Tania
2 gums	1 cookie

4. Ask some of the following questions: What did you have at the beginning? Do you think you made good trades? Why? What kind of problems did you have? (The class may participate in the analysis.)

5. Designate a store area. Give each of the original traders a packet of money cards. The students can go to the store and buy what they want (the prices for the items should be posted). Students run the store and exchange the item cards for money cards. Allow the same amount of time as in the trading session. Discuss and compare the two sessions. How were the sessions different? Is trading or buying an easier way to do business? Is buying a form of trading? Did the store run out of some items? Which ones? Did we run out of items when we were trading? How do you know? If we didn't have money but had to trade for everything, where would your family get milk? Bread? Etc.? What can we say about the importance of money?

Attachment E

Situations:

1. Yolanda has a rocking chair and wants to trade for a cow. Sue has a cow but doesn't want to trade for Yolanda's rocking chair. Phil wants Yolanda's rocking chair but doesn't have a cow to trade for it. How can this problem be solved?

2. Al has a horse, and Jesse has a lamb. They want to trade, but Al says his horse is worth two lambs. Jesse doesn't have another lamb and he doesn't want half a horse. Solve.

3. At the beginning of recess, Linda started looking for someone with a Frisbee to trade for her colored pencil set. She found several people with Frisbees but none who wanted her pencils in exchange. Finally, at the end of recess, she found someone who wanted to trade. She didn't get to play at all. What was her problem?

4. Joan wants to trade half her candy bar for jump rope lessons. Several good rope jumpers want to give her lessons, but each wants the whole candy bar. Joan feels that a lesson is only worth half a candy bar. Finally, she finds Susie who is willing to trade for half the candy. What is the problem?

5. Gina has an ice-cream cone for trade. She talks with many other children about trading and finally decides to trade the ice-cream cone for Mark's peanut butter candy. But then Mark says, "No, your ice cream has already melted." What has happened to the trade? Why?

6. Betty wants an autographed picture of the basketball team. Armando has one, but he doesn't want to trade for anything Betty has. He wants a baseball bat. So Betty trades her hair ribbon for Sue's pencil case, the pencil case for Dan's model car, and the model car for Ted's baseball bat. How has she solved her problem?

7. Farmer Brown can trade his two sacks of flour (each is worth $5) for one bushel of Farmer Garza's corn (which is worth $10). If Farmer Brown goes to the store, he can get $10 for the sacks of flour instead. He wants your help with his economics. Which might he prefer to do: a. Go to the store and get $10? or b. Go to Farmer Garza and get one bushel of corn? Why?

8. In the town of Corngrowers, everything has many prices. When you go in the corner store, the signs, which change every day, say things like: 2 pigs = 1 cow and 6 ears of corn = 1 yard of cloth. When you want to trade something, you must ask the owner, "How many eggs does this cost?" It takes a long time to buy something. How would a money system help the town?

9. You have made 10 beautiful bean bags. You aren't sure exactly what you want to trade for. What would you rather do?
   a. Sell you bean bags in a money economy and go shopping with the money in your pocket?
   b. Look for trades in a barter economy?

   Explain the reason for your choice.

Materials: Double set of occupation cards. Double set of situation cards that describes a good or service. Four money cards (jokers).

Procedure:

1. Discuss occupation and situation cards with the class so that they can make proper matches when playing the game.
2. Mix up the cards.
3. Deal six cards to each player.
4. Turn remaining cards face down in the middle, turning one card face up.
5. The player to the left of the dealer has the option of taking the face-up card or drawing from the pile. The player tries to match the good or service with the occupation. If the player draws a money card, he/she can match it with any situation card for a pair.
6. If the player makes a pair, he/she lays the cards down and discards.
7. The next player either takes the discard or draws off the pile and also tries to make an occupation, goods, or service match.
8. Any player can also add to the other players' matches before discarding.
9. The player who first gets rid of his/her cards wins.
10. Conduct a discussion about the different goods selected, specialists who produce the goods, and the other goods that they also want. Have the students explain how specialists might obtain the goods and services that they want but which they do not produce. Do they usually barter for these desired goods and services, or is money used to pay for them? Why?

Attachment G

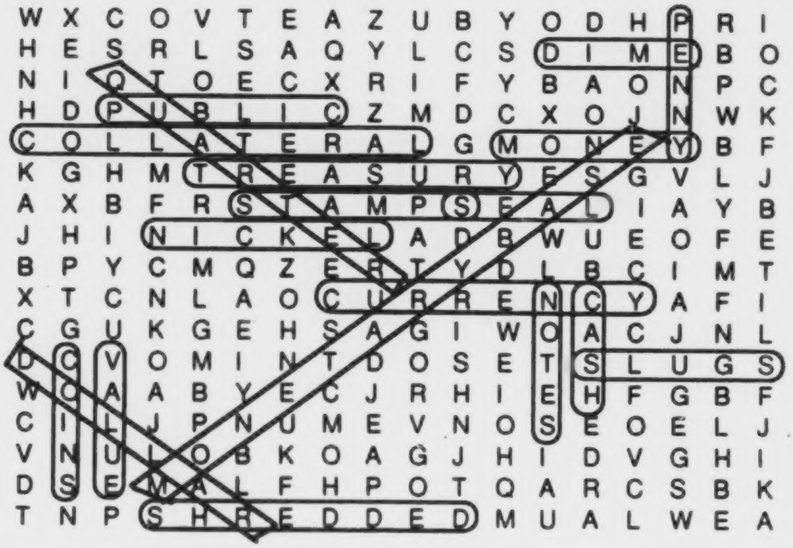
Find the words listed below in the square of letters and circle the words with a pencil. The answer may go up, down, diagonally, or backwards. In a phrase, the work to be found is underscored. Your teacher has the KEY.

1. Currency
2. Monetary base
3. Coins
4. Federal Reserve notes
5. Collateral
6. Bureau of the Mint, U.S. Treasury
7. Dollar
8. Seal
9. Postage stamps
10. Store of value
11. Slugs
12. Penny
13. Nickel
14. Dime
15. Quarter
16. Treasury
17. Cash
18. Money
19. Public
20. Shredded

WORK SEARCH MONEY PUZZLE

W	X	C	O	V	T	E	A	Z	U	B	Y	O	D	H	P	R	I
H	E	S	R	L	S	A	Q	Y	L	C	S	D	I	M	E	B	O
N	I	Q	T	O	E	C	X	R	I	F	Y	B	A	O	N	P	C
H	D	P	U	B	L	I	C	Z	M	D	C	X	O	J	N	W	K
C	O	L	L	A	T	E	R	A	L	G	M	O	N	E	Y	B	F
K	G	H	M	T	R	E	A	S	U	R	Y	E	S	G	V	L	J
A	X	B	F	R	S	T	A	M	P	S	E	A	L	I	A	Y	B
J	H	I	N	I	C	K	E	L	A	D	B	W	U	E	O	F	E
B	P	Y	C	M	Q	Z	E	R	T	Y	D	L	B	C	I	M	T
X	T	C	N	L	A	O	C	U	R	R	E	N	C	Y	A	F	I
C	G	U	K	G	E	H	S	A	G	I	W	O	A	C	J	N	L
D	C	V	O	M	I	N	T	D	O	S	E	T	S	L	U	G	S
W	O	A	A	B	Y	E	C	J	R	H	I	E	H	F	G	B	F
C	I	L	J	P	N	U	M	E	V	N	O	S	E	O	E	L	J
V	N	U	L	O	B	K	O	A	G	J	H	I	D	V	G	H	I
D	S	E	M	A	L	F	H	P	O	T	Q	A	R	C	S	B	K
T	N	P	S	H	R	E	D	D	E	D	M	U	A	L	W	E	A

TEACHER'S PUZZLE KEY



W	X	C	O	V	T	E	A	Z	U	B	Y	O	D	H	P	R	I
H	E	S	R	L	S	A	Q	Y	L	C	S	D	I	M	E	B	O
N	I	Q	T	O	E	C	X	R	I	F	Y	B	A	O	N	P	C
H	D	P	U	B	L	I	C	Z	M	D	C	X	O	J	N	W	K
C	O	L	L	A	T	E	R	A	L	G	M	O	N	E	Y	B	F
K	G	H	M	T	R	E	A	S	U	R	Y	E	S	G	V	L	J
A	X	B	F	R	S	T	A	M	P	S	E	A	L	I	A	Y	B
J	H	I	N	I	C	K	E	L	A	D	B	W	U	E	O	F	E
B	P	Y	C	M	Q	Z	E	R	T	Y	D	L	B	C	I	M	T
X	T	C	N	L	A	O	C	U	R	R	E	N	C	Y	A	F	I
C	G	U	K	G	E	H	S	A	G	I	W	O	A	C	J	N	L
D	C	V	O	M	I	N	T	D	O	S	E	T	S	L	U	G	S
W	O	A	A	B	Y	E	C	J	R	H	I	E	H	F	G	B	F
C	I	L	J	P	N	U	M	E	V	N	O	S	E	O	E	L	J
V	N	U	L	O	B	K	O	A	G	J	H	I	D	V	G	H	I
D	S	E	M	A	L	F	H	P	O	T	Q	A	R	C	S	B	K
T	N	P	S	H	R	E	D	D	E	D	M	U	A	L	W	E	A

Read each statement and decide whether it best describes a money exchange system or a barter system. Put a "B" for a`barter system or an "M" for a money system of economics in the spaces provided.

1. _________ A chicken is worth one apple or four nails or six cookies.
2. _________ Storekeepers use cash registers.
3. _________ Buying most things takes a lot of time for everybody in the society.
4. _________ You can earn a living giving dogs haircuts.
5. _________ A storekeeper stamps a number, which is the price, on a milk carton before he ever sees the buyer who wants it.
6. _________ If you want to sell a bale of hay, you have to carry it with you.
7. _________ It's easier to buy and sell.
8. _________ Most people produce more than one kind of thing.
9. _________ You can find a nice, small town in Switzerland where almost everybody makes watches.
10. _________ You have a large storeroom with many items in it that you use when you want or need something.

In the barter economy of Tradesville, the following prices were in effect today:

> Martin paid two yo-yos for one rubber spider.
>
> Diane paid one cookie for three yo-yos.
>
> Bryan paid one bread doll for one yo-yo.

Tradesville citizens want your help in creating a money system. They will call their currency Tradesbills and each one will be worth one yo-yo. Can you help them price their goods for sale?

1. ______One bread doll costs how many Tradesbills?

2. ______One rubber spider costs how many Tradesbills?

3. ______One cookie costs how many Tradesbills?

Discuss how the amounts were arrived at? Is this an example of a money or of a barter situation in an economy?

WHAT'S YOUR OPINION

1. In faraway Africa, there lives a tribe called the Neuer. Cows are very important to people of this tribe. If you want to buy anything from a Neuer man or woman, you pay a certain number of cows. Are cows money to the Neuer? Why? Why not?

2. In some places, certain seashells are used for money. How can that be? Anyone can go to the beach and pick up a seashell! How can shells be used for money?

3. In the United States, much of our money is made of paper. Why are dollar bills money but notebook paper is not money?

Grade Level: **Third**

Concept: **Markets and Prices**

Teacher Terms	Student Terms
A market exists whenever buyers and sellers exchange goods and services.	**Markets are places where people can buy or sell goods and services.**

Objectives

The third grade student will be able:	**to cite examples of markets where buyers and sellers exchange goods and services.**

Resource Materials

- Pencils, crayons, or markers
- Scissors
- Magazines, newspapers, or catalogs
- Glue or paste
- Index cards
- Construction paper
- Poster board
- Play money

Focus

1. Play a shortened version of the "Price is Right" game by bringing to class a picture of three different items for three different product categories (e.g., toys, food, clothing, etc.) to help introduce the idea of price. (Be sure that you know the retail price of the items.) Have the class rank the items for each category from the lowest to the highest price. After the items have been ranked, ask the class who gives the prices to the items. List responses on the board. Share the actual prices with the class and see how accurate students were with their guesses. Discuss with the students that market prices are set because of the willingness and ability of people to use money to buy or sell a good or service at a given price. To demonstrate this idea use the play entitled "Gerry's Lemonade Stand" (Attachment A) with the class. Also use copies of the "Market Price Sheet" (Attachment B) and let students fill it in as they listen to the play. After performing the play, let students try to complete the price sheet. Have them guess the headings for the last two columns and label them. They will then need to fill in the amounts in the blank columns and complete the statements at the bottom of the table. The last scene of the play may need to be reenacted to help the students fill in their sheets. Discuss afterwards the idea of producers and consumers. Note that this play is an example of a market and shows how prices are determined. Discuss how students arrived at their answers on the price sheet. Ask them what they determined the market price for the lemonade to be.

2. Collect magazines such as National Geographic or Natural History that have pictures of markets. Discuss what a market might be. Can a student define "market" in his/her own words? Use magazine pictures that depict markets and see if the students can determine what parts of the pictures show that each is about a market. (They should show buyers and sellers exchanging goods or services.) Have students point to the buyers and sellers and then to the goods and services to see if they understand the concepts. Then have students locate other examples of markets in the magazines and write explanations of why they are markets. In conclusion, have students list services they might find in a shopping center or mall.

Modeled and Guided Practice

1. The students will classify goods under the different prices that they think it would take to purchase them. Have the students generate the list of items and list them on the board. Then see if they can place them on their worksheets under the correct columns (Attachment C). Challenge them to add more items to their lists. Discuss later if their items were goods or services and if they picked the price most logical for the item.

2. The students will have sets of index cards that will either make nonsense sentences or sensible sentences using the key concepts of "people," "goods or services," "marketplaces," and "prices." To make a sentence, a student will pick a card from each of the above categories and decide if it will make a sensible sentence. This activity would work well with groups of four, having group members discuss among themselves if the sentence the person has made is sensible. If it is, then they keep it together; if it isn't, then the cards that don't fit are returned to the stacks or a discard pile. Another student tries to make a sensible sentence. (An example might be: My little brother . . . bought a Teddy bear . . . at Toys Plus . . . for $6.) Have enough cards to make about five or six sentences for each group. They can be the same sentence for each group. Later the class may have ideas for other sentences to add to the stacks.

3. Post a list of goods and services on the board or on a piece of poster board. The teacher or a student secretly selects one of the items from the list. The other students have to determine what the item is by asking questions that can be answered with a "yes" or "no." One of the questions asked must deal with the price (e.g., Is it less that $1?). The number of questions allowed may be limited to make the selection more difficult. Do not allow the item to be guessed until the price question has been asked.

Independent Practice

1. Collect catalogs or grocery store inserts that list items and their prices. Have students work in pairs to find what a list of given items would cost. If using a grocery store ad, have the students determine what it might cost to buy certain items to make a particular dinner. Or they might make their own menu from the ad and tell what their dinner cost. See if they can make a least expensive dinner and most expensive dinner. Then using the ads tell the students they have a limit on what they can spend. See what different combinations of items they come up with for the amount they are allowed to spend. Make the limit fairly small so it will be easy to check their responses.

2. Using the picture cards (Attachments D-F), have the students make lists of markets or non-markets on sheets of paper. Next to each item, the student should tell if the item in the picture provides a good or service.

3. Set up a market in the classroom. Have students cut out pictures of items from magazines or catalogs. As the students cut out the pictures, glue them onto 3 x 5 index cards or construction paper. Have them write the price for the item on the back of the card. Determine what kind of market they are developing so that they will all be looking for similar items. Using play money, let the students shop to see how many items they can buy with $10, $5, or $1. Send a few students to the market with a list of items to buy and not enough money. See if they can determine to buy fewer of some items or smaller sizes in order to buy everything on the list.

Evaluation

1. Using the worksheet entitled "What Are You Wearing and What Does it Cost?" (Attachment G), students will check off the items listed that they are wearing that day. They will answer the questions at the bottom of the page. When they have finished, make a bar graph to determine the average cost of what most students are wearing according to the prices listed (not actual prices). On the back of their sheets the students will list the places within their community where the items they have on could be purchased.

2. Using the picture cards showing examples of markets and nonmarkets, the students will choose six to 10 cards and write why the pictures show either a market or nonmarket.

Extension

1. Have the students make bookmarks. Let them be creative in their designs, but they may only use the supplies within the class. Set up a table to display the varieties, telling the students that they are going to sell their bookmarks in class. Use the play "Marketplace Money" (Attachment H) as the medium of exchange. Let the student who made the bookmark determine the price he/she would like to ask for it. Then organize a table as a market for the bookmarks according to their prices. To earn the money to spend at the sale table, the teacher will give out the play mney as rewards for good work or for something special a student has done in class. Set up a time each day for the students to buy the bookmarks with their play money. At the end of a week, see how many bookmarks are left. Be sure to record on a chart the number of bookmarks the class started with and their prices, so the class can determine which ones sold the fastest. This would be a good time to discuss with the class how price can sometimes determine whether or not something will sell. Ask students to share why they made the choices they did to see if they chose on the basis of price or quality of the workmanship.

2. Get a price list for the text books used in your class. Determine what each student's set of books cost. Then determine what the cost was for the entire class. On the board or a piece of paper, have the students list what other items they need for school and mark the price of each. Discuss whether the item will need to be purchased only one time or must be replaced several times during the school year (e.g., pencils, paper, crayons vs. basal texts). Also discuss with the class which items are the most essential and needed all the time and which ones may be used less frequently. Make a bar graph to show which items will need to be purchased most often during the year. Then estimate what the cost of these items might be for one year's time. Discuss how students could make the best buy possible for the essential items and where they may be purchased.

Additional Resource Materials

- Children in the Marketplace, Joint Council for Economic Education, 1986, Lesson 5
- Strategies for Teaching Economics (Part II, Grades 1-3), Joint Council for Economic Education, 1977

Attachment A

GERRY'S LEMONADE STAND

CHARACTERS: Gerry, Sally, Manuel, Samantha, and three other (unnamed) kids.

SETTING: The sidewalk in front of Gerry's house. Gerry is standing behind a lemonade stand as Sally walks by.

Sally: What are you doing, Gerry?

Gerry: What does the sign say, Sally?

Sally: Lemonade for Sale! How much?

Gerry: Fifty cents a cup.

Sally: Fifty cents a cup! Are you crazy, Gerry? I can get a soda for 30 cents at the drugstore!

Gerry: But, Sally, I want to buy Scruffy a new doghouse. His old house is falling apart, and a new one costs a fortune --$39! I've got to start earning money.

Sally: I don't think you will sell much lemonade at 50 cents a cup.

Gerry: I've just got to get the money before Scruffy's birthday, and I have saved only $15 from my allowance! Today I'm selling lemonade to start getting the rest of the money.

ENTER MANUEL

Manuel: What are you doing?

Sally: Gerry 's selling lemonade, Manuel, but it costs too much for me to buy.

Manuel: How much is it?

Gerry: Fifty cents a cup is what I said, but maybe it is too much. How much will you pay for one cup, Sally?

Sally: I might give you 30 cents a cup since it is for a good cause.

Manuel: I have only 10 cents left from my allowance.

Gerry: Manuel, that is not enough! I have to pay for the lemons, the sugar, and the cups, you know. Plus, my little sister let me use her table on condition that I pay her two cents for each cup of lemonade I sell.

Manuel: Here come some kids. Maybe they will pay you 50 cents a cup for your lemonade.

Samantha: Hi, Gerry! Are you selling lemonade?

Gerry: Yes, Samantha. Would you like to buy some? It's really good!

Samantha: How much?

Gerry: I haven't decided on a price yet. . . . Maybe you all can help! How many of you would pay 50 cents a cup each day for my lemonade? (NO ONE RAISES A HAND.)

Gerry: (PAUSE) Hmmm. None. How many would pay 40 cents a cup each day for my lemonade?

Gerry: Oh boy! Just one! How many would pay 30 cents a cup each day for my lemonade? (SAMANTHA AND SALLY RAISE THEIR HANDS.)

Gerry: One, two. How many would pay 25 cents a cup each day for my lemonade? (EVERYONE EXCEPT GERRY RAISES A HAND.)

Gerry: One, two, three, four, five, six! Thanks, guys! I'm glad of that! At 20 cents a cup, I would not supply any! Each cup costs me at least 21 cents, and I would lose money. Will you please come back in half an hour? Some friends of mine are going to find out how much I should charge for my lemonade.. (EXIT SALLY, MANUEL, SAMANTHA, GERRY, AND OTHERS. They should wait offstage).

MARKET PRICE SHEET

Name ______________________________ Date __________

Cost of Scruffy's doghouse $ __________

Amount Gerry saved $ __________ Needed $ __________

Possible lemonade prices (per cup)	How many people will buy?	Therefore, how many will Joey supply?	Cost of making lemonade (per cup)		
50¢					
40¢					
30¢					
25¢					
20¢					

Gerry should sell each cup of lemonade for __________.

If Gerry could sell __________ cups of lemonade at the above price every day, it would take him __________ days to save enough money to pay for Scruffy's doghouse.

From *Children in the Marketplace: Lesson Plans in Economics for Grades 3 and 4* (1986). Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016. (212) 685-5499.

Attachment B

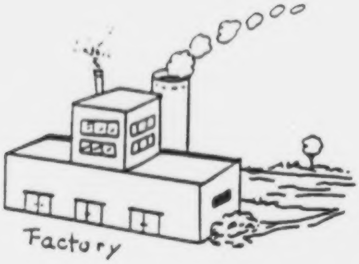
Attachment C

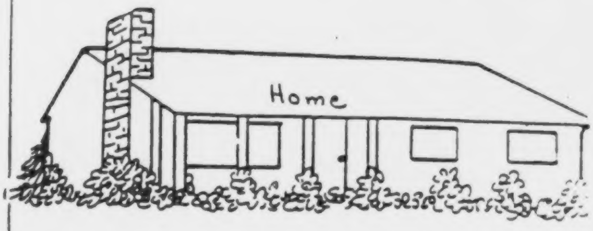
GOODS	SERVICES

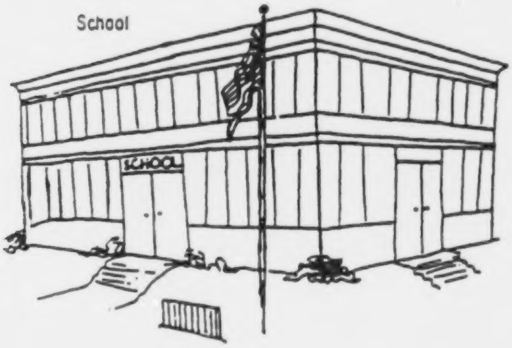
Attachment C

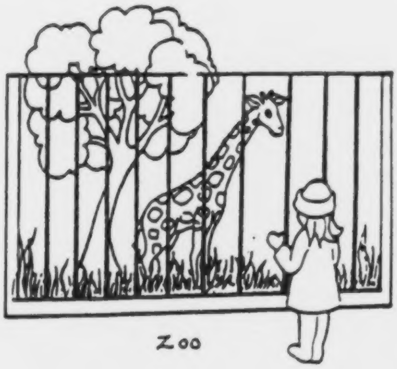
GOODS	SERVICES

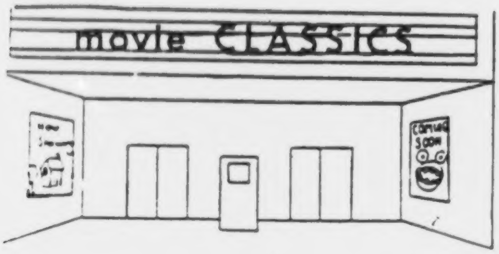
Attachment D

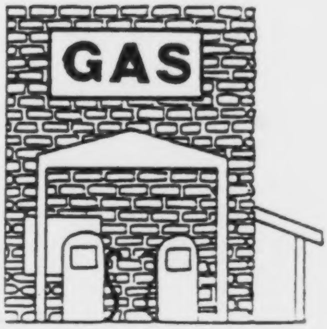




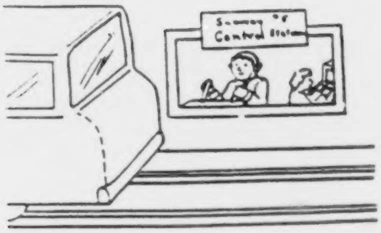

School
SCHOOL

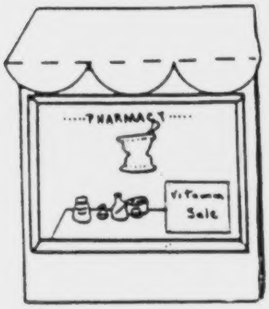


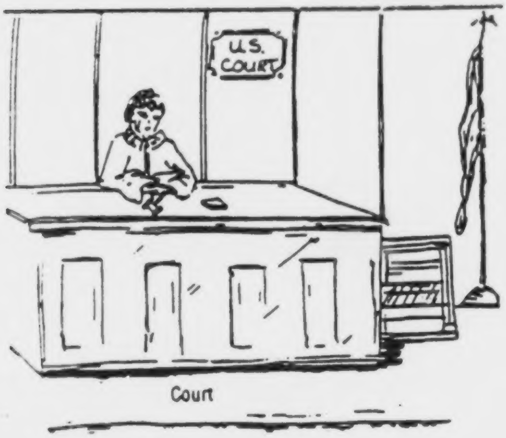

movie CLASSICS
COMING SOON



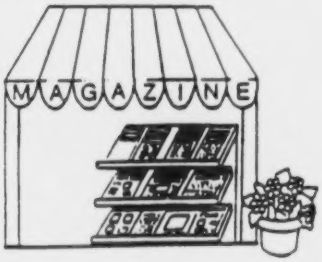
Attachment E

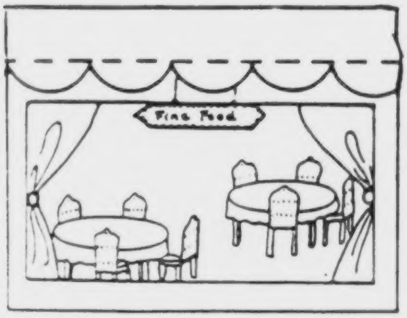

Subway of
Central Station


PHARMACY
Vitamin
Sale

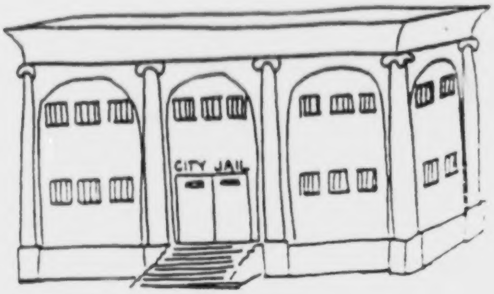


Court

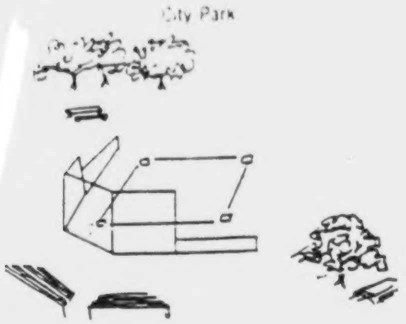


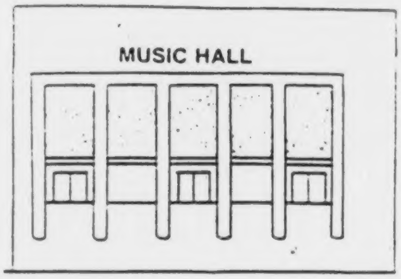


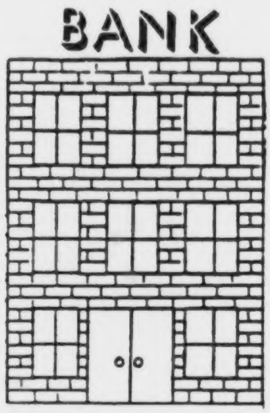
City Jail

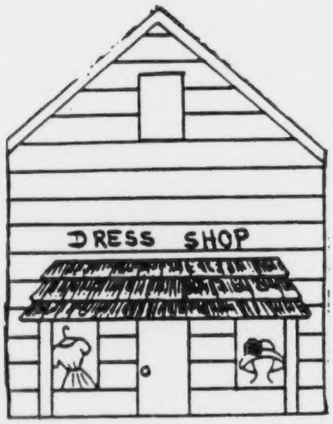


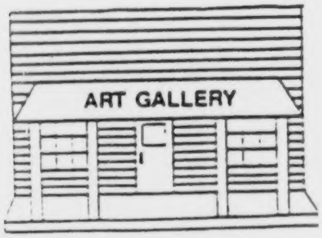
Attachment F

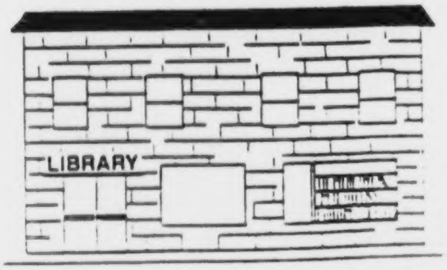









ART GALLERY



WHAT ARE YOU WEARING AND WHAT DOES IT COST?

Price List

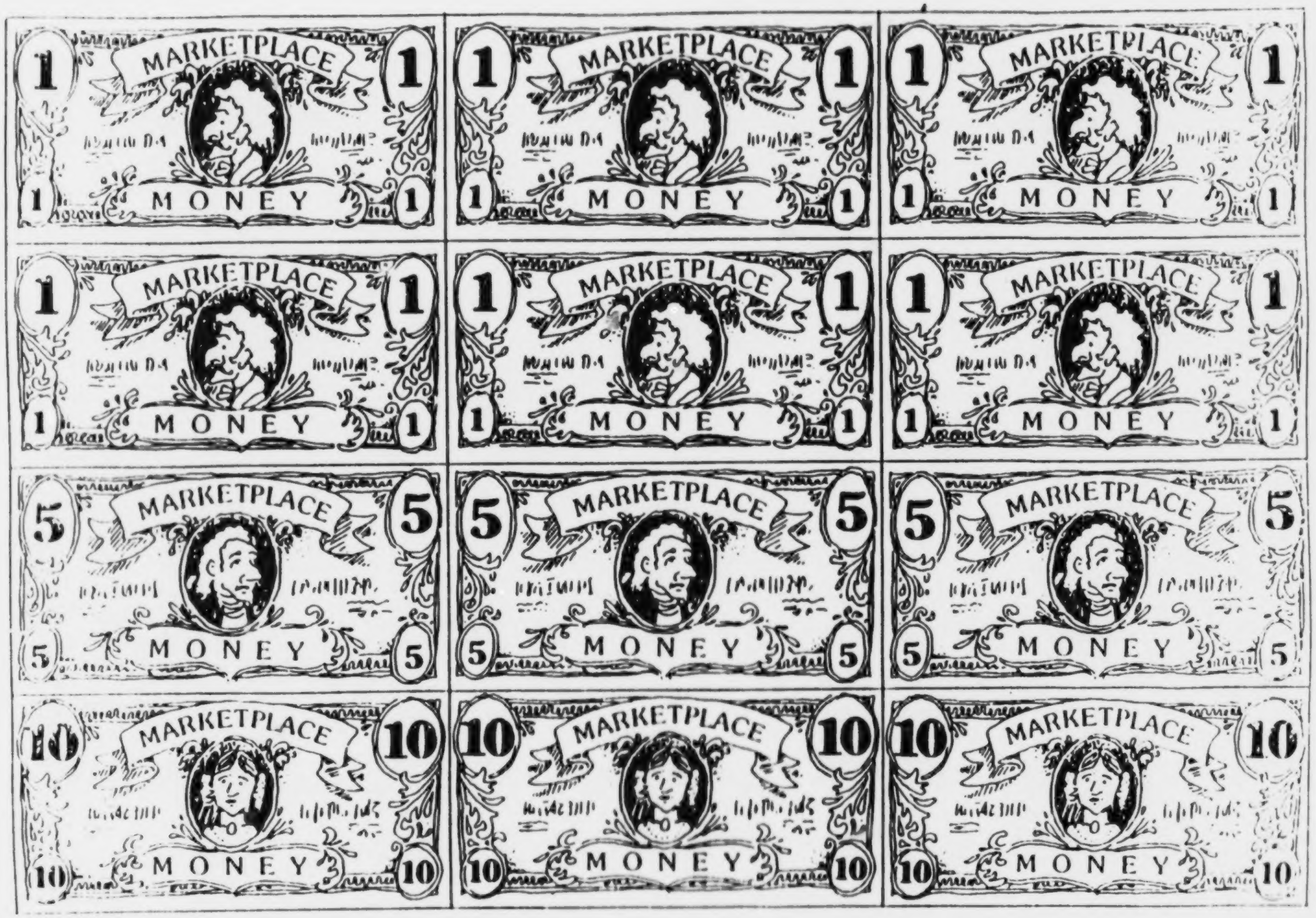
pants	$15.99	jacket	$12.99
shirt	$ 8.78	dress	$24.60
sweater	$12.50	hose	$ 3.60
blouse	$17.50	socks	$2.25
skirt	$19.98	shoes	$19.00
underwear	$12.35	belt	$ 5.00
sweat suit	$26.59	other	$_____

1. What is the total price of what you are wearing?_______________

2. Check with a friend near you.
Whose clothing cost the most?______________________
name

3. Compare with someone else near you.
Whose clothing cost the most?______________________
name

4. Is there anyone in the room with exactly the same cost as yours?
____
name


1 MARKETPLACE 1
1 MONEY 1
5 MARKETPLACE 5
5 MONEY 5
10 MARKETPLACE 10
10 MONEY 10

Attachment H

Grade Level: **Third**

Concept: **Competition and Market Structure**

Teacher Terms

A market is a setting where buyers and sellers establish prices for identical or similar products.

Student Terms

Markets are places where things are bought and sold.

Objectives

The third grade student will be able: **to identify markets located in and around his/her community.**

Resource Materials

- Pencils, crayons, markers
- Poster board
- Ads from newspapers or the mail
- Scissors
- Glue or paste
- Rulers
- Catalogs, menus, magazines

Focus

1. "Where Will I do my Shopping?" activity will illustrate to students that markets will sell similar items at prices they believe consumers will buy. The prices may vary slightly depending on the brand. Students will need to make wise decisions as to where they will shop. Use grocery store ads to compare prices for similar items (Attachment A). Have students add up the cost for all of the same items at both stores to see which store provides the better prices. Discuss why they may not choose to buy at the more reasonable store, e.g., the store may be too far away. What if they need other items? Should they purchase them at the store where they buy the illustrated items? How do markets set their prices? What would happen if people stopped shopping at one of the stores? Do a class survey. Have students check to see at which local market their families do most of their shopping and why. Make a list to see if there is a pattern or one place that is used more than another. Discuss what the other store might do if it wanted to get more people to shop there, e.g., it might offer special coupons, lower prices, give away free items if you buy one at regular price.

2. Notice that the items being sold for the most part at "Porch Sale" (Attachment B) are toys. Can the class think of any other items that could have been included that kids would buy? Are the prices shown logical prices? Which ones would they change and why? Why do they think a porch was chosen as the site for the sale? Could there have been a better place for this "market?" Did they group the items in the best possible way? Have students create story problems to go with the picture, using any of the operations they know. Write the story problems on an index card, with the answer on the back. Set up a file box to hold the cards along with a picture of the porch sale so that students can add other problems or solve them during free moments.

Modeled and Guided Practice

1. For the "General Store vs. Modern Supermarket" activity (Attachment C), run off the picture of the general store or make a transparency. Have the students describe what they see being sold. Check with your local historical society to see if they have any sample price lists of what items shown in the picture might have cost. Compare the items and prices to a present day

supermarket. How has the packaging of products changed? When you buy candy today, how do you purchase it? (e.g., by the bag, or by the pound?) Make a list on the board of items you could buy in a general store, that you cannot buy in a supermarket today and vice versa. Take a class vote of which store they would rather shop in. How did people pay for items back in the days of the general store? Is it any different today? Finally, list on a sheet of paper ways the general store and supermarket are alike or different.

2. Tell the class that the family would like to take a "Jamaican Vacation." Show where Jamaica is located on a map and list some reasons why it would be a great vacation spot. Tell the children that they will want to make the wisest choice of where to stay and how to get there. Use travel brochures from an agency or newspaper ads to compare prices. Have students develop a set of questions they would need to ask a travel agent in order to know if the price they are quoted is a good one. Make a list of things they would need to bring with them and if that also will cost money. After the price of transportation, lodging, and food has been determined, have the students find the total cost for a three-day, five-day, or seven-day stay. Are there any other items that will need to be considered in the cost (e.g., souvenirs or places of interest that might have an admisssion fee)? How can travel agents offer different prices for the same trip? Why would one time of the year be less expensive than another time?

3. Set up a bulletin board display or poster board of weekly ads from grocery stores, department stores, or discount stores. Make a chart for each store each week to show identical items are on sale at several stores and the prices for them. Change the display each week as the new ads come out and make a new chart listing the items and prices for the same items. At the end of the month, check the charts for any marketing patterns. Did the same store offer the best prices each week or did it differ from store to store and week to week? Get a map of your city or town from the local Chamber of Commerce and have the students locate the stores from the ads that are closest to them. Have them use the distance scale on the map to determine which store would be the closest. Make a chart showing all the distances for each of the stores. Have the students make up story problems using the distances on the chart as the data for their problems. Students could work in pairs or groups to create their problems and then pass them on to a different group to solve.

4. For a food survey, have the students bring labels from box fronts, cans, jars, etc. of food they have eaten in one day. Organize them on a chart by meals: breakfast, lunch, or dinner. Try to locate the prices for the items either in ads or by going to a store to find an approximate price. Have the students determine what it would cost to replace all of the breakfast food items and then the lunch items and dinner items. Make a note of where the item was produced. Have the students locate on a map where the item was produced and determine how far it had to travel to get to this area. Does this affect the price of the item? Why do some markets not carry certain brands of items? Have students go to the local market and interview the manager as to how he/she determines what items go on sale each week and which brands are stocked on the shelves.

Independent Practice

1. Bring in ads or catalogs for toys. Have each student create his/her own toy store. Using manila folders, have students cut out pictures of toys and give them a particular price. Glue the pictures and mark the prices on the inside of the folder. On the outside, design a store front that will let the customer know the name of the store and if it specializes in bikes, dolls, sports equipment, etc. Then have the class go shopping using play money. The students will all be given the same amount of money, and the only stipulation is that they must spend all of their money in one store. They will need to take sheets of paper to write down all the items that they purchased and the prices of each. Then on the back of their sheets, they should explain

why they chose that particular store to shop in. (Was it because of the items, prices, or cover?) Discuss how the market structure and competition will help some stores survive and others fail.

2. Set up a supply store in the class. The class will need to determine what school supplies they would like to purchase from the supply store. It will probably take a start-up fee of about $25. Decide on where they will get the best prices for their initial supplies. Have one student be the clerk/banker to take in the money when the store is open. Set the prices for the items at a rate where the store will be able replenish itself and pay off the initial investment. Have the students decide what a fair price would be for one or two pencils or 10 sheets of paper.

Evaluation

1. After cutting out two ads for automobiles from a magazine and pasting them onto construction paper, the students will list the reasons shown in the ads as to why they should buy that car. The students then choose one of the cars in their ads to buy and write a paragraph stating why they chose that one and what part of the ad made them want to purchase that car.

2. After brainstorming (discussing) and then listing on the board the fast food restaurants in their area, the students will choose one of the restaurants and tell why they would like to eat there. Second, they will write a paragraph of what they think would happen if two of these restaurants were side-by-side or across the street from each other. Finally, the students write a paragraph on what they think would happen if only one of these restaurants was able to stay open and all the others had to be closed.

3. Using the Plant Nursery Ads (Attachment D), students will evaluate them and decide which one they would shop at. They will compare prices for similar plants at both stores and decide which store has the more reasonable prices. Finally, they will design their own ads for plants and flowers and give their plants prices that would be comparable, but maybe a bit more competitive. Discuss the idea of two for one or a money-back guarantee if the customer is not satisfied.

Extension

1. Read the book, Hippo Lemonade by Mike Thaler, to the class. Have the students discuss what a market is and what affects a market. If any students have ever had a lemonade stand, ask them to describe how they set up their market and prices and were they successful? Have the students calculate the amount of income that would have been realized had 10 glasses of lemonade been sold at each price. Make and enjoy lemonade with the class.

2. For the "Open Your Own Restaurant" activity, use the sample menu entitled "Eats and Treats" (Attachment E). Have the class design a sign and menu for a restaurant. They might like to work in groups and come up with a catchy name. Set some limits to what they can offer on the menu, such as basically a sandwich shop for lunch, so their menu will not be too extensive. Discuss beforehand what they might need to know before they actually open the shop. (How many people live in the area? Do they want hamburgers or cold sandwiches? Is it easy to get to? Can you eat inside or is it a drive-through?) Have part of the group design the sign and part of the group design the menu. In conclusion, have each group shar ideas with the class and then vote on which restaurant they would most like to go to.

Additional Resource Materials

- Elementary lesson Plans 2 and 4, Center for Economic Education, Rhode Island College, 1988
- Hippo Lemonade, by Mike Thaler

GROCERY STORE

BEEF BRISKET

WHOLE BONELESS
CRY O VAC
USDA CHOICE GRAIN FED
HEAVY BEEF

SAVE
$1.31
LB.

POUND **.88**

PLEASE LIMIT YOURSELF TO TWO TOTAL

HY-TOP TUNA

CHUNK LIGHT PACKED IN
OIL OR WATER
SAVE 47¢

.48

6.5 OUNCE CAN
PLEASE LIMIT YOURSELF TO TWO TOTAL

MAXWELL HOUSE

ALL GRINDS INCLUDING FRENCH
ROAST EXCEPT DECAFF AND
GOURMET SUPREME COFFEE
SAVE 47¢

1.98

12 TO 13 OUNCE CAN
PLEASE LIMIT YOURSELF TO ONE TOTAL

278

KRAFT MAYONNAISE

REGULAR LIGHT OR CHOLESTEROL FREE
PLEASE LIMIT YOURSELF TO ONE TOTAL
WITH AN ADDITIONAL $10.00 OR MORE
PURCHASE EXCLUDING WINE BEER AND
CIGARETTES

32 OUNCE JAR

1.68

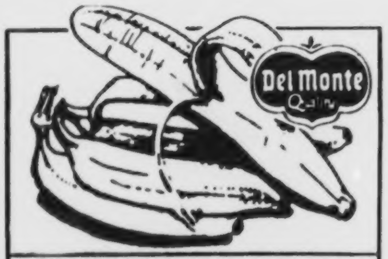
SAVE
71¢

BORDEN ICE CREAM

ASSORTED FLAVORS
SAVE 51¢

1/2 GALLON SQUARE CARTON

1.48



FRESH BANANAS

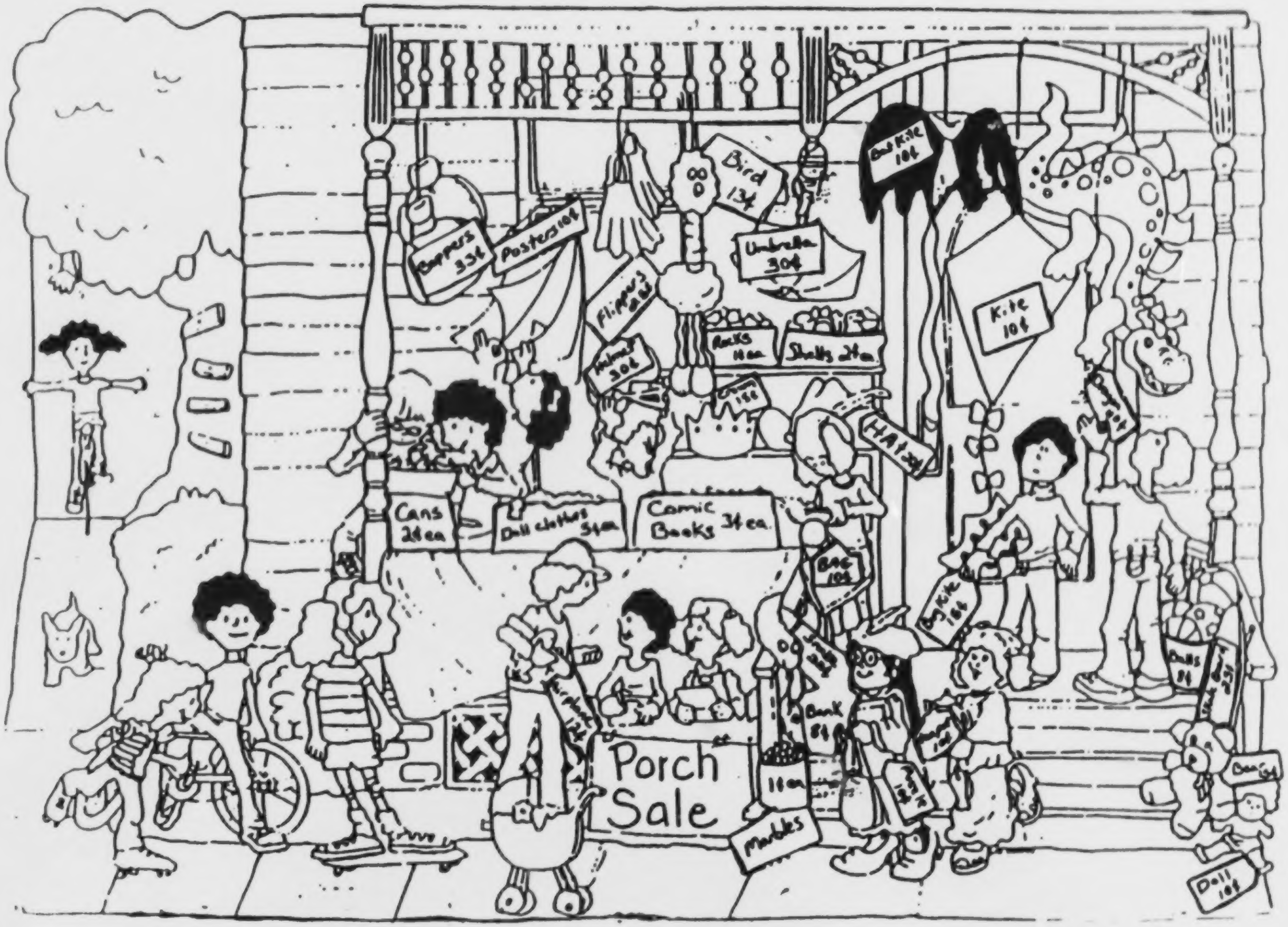
DEL MONTE
BRAND
SAVE 77¢ ON 3 LBS

3 1

Attachment A

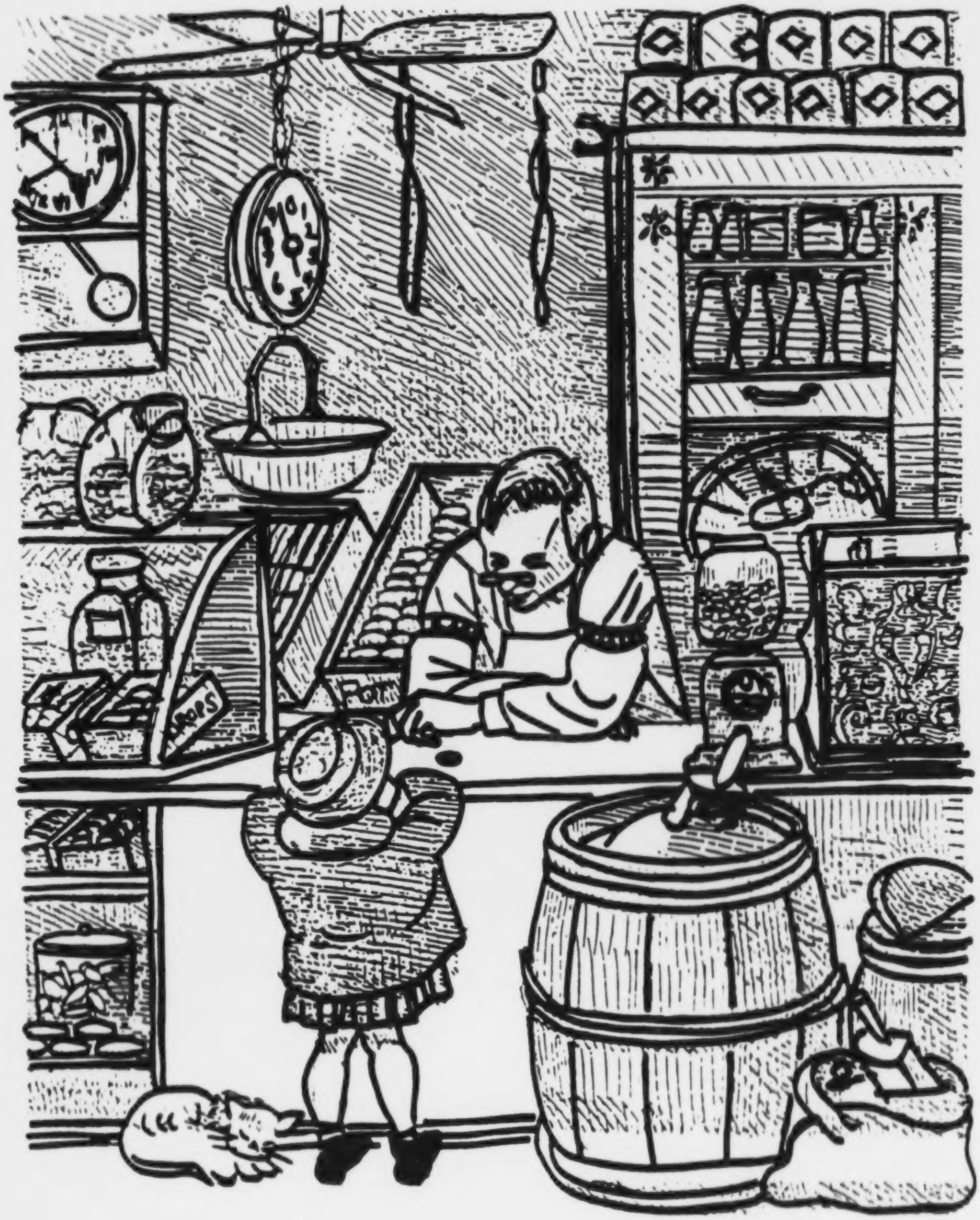
314

315

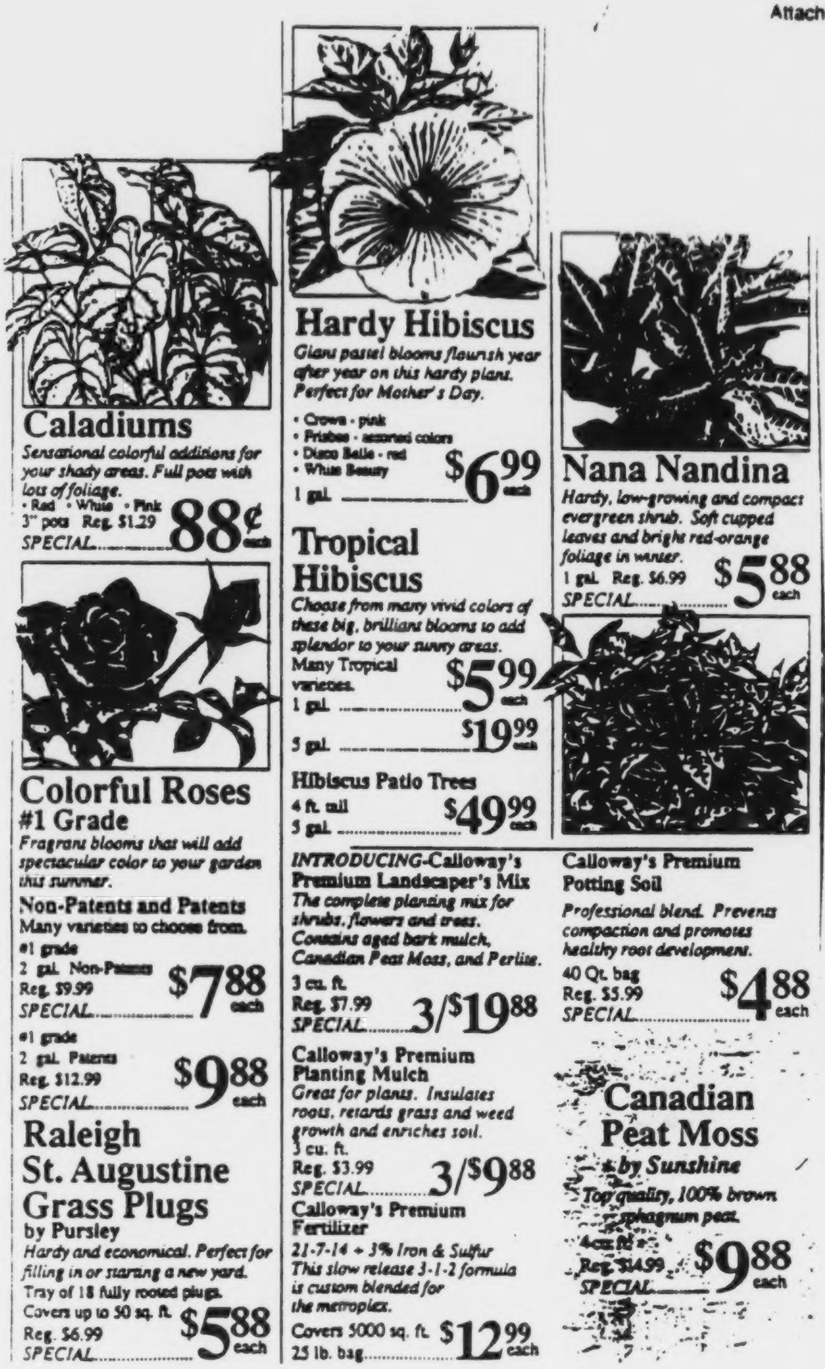

Boppers 33¢
Posters 10¢
Bird 13¢
Umbrella 30¢
Owl Kite 10¢
Flippers 20¢
Helmet 30¢
Rocks 1¢ ea
Shells 2¢ ea
Kite 10¢
HAT 20¢
Cans 2¢ ea
Doll clothes 5¢ ea
Comic Books 3¢ ea
BAG 10¢
Big Kite 15¢
Dolls 8¢
Bank 8¢
Porch Sale
1¢ ea
Marbles
Doll 10¢

Attachment B

Attachment C



Attachment D



Caladiums

Sensational colorful additions for your shady areas. Full pots with lots of foliage.

- Red
- White
- Pink

3" pots Reg. $1.29
SPECIAL............88¢ each

Colorful Roses
#1 Grade

Fragrant blooms that will add spectacular color to your garden this summer.

Non-Patents and Patents
Many varieties to choose from.

#1 grade
2 gal. Non-Patents
Reg. $9.99
SPECIAL............$7.88 each

#1 grade
2 gal. Patents
Reg. $12.99
SPECIAL............$9.88 each

Raleigh St. Augustine Grass Plugs
by Pursley

Hardy and economical. Perfect for filling in or starting a new yard.
Tray of 18 fully rooted plugs.
Covers up to 50 sq. ft.
Reg. $6.99
SPECIAL............$5.88 each

Hardy Hibiscus

Giant pastel blooms flourish year after year on this hardy plant. Perfect for Mother's Day.

- Crown - pink
- Frisbee - assorted colors
- Disco Belle - red
- White Beauty

1 gal. ....$6.99 each

Tropical Hibiscus

Choose from many vivid colors of these big, brilliant blooms to add splendor to your sunny areas.
Many Tropical varieties.
1 gal. ....$5.99 each
5 gal. ....$19.99 each

Hibiscus Patio Trees
4 ft. tall
5 gal. ....$49.99 each

***INTRODUCING*-Calloway's Premium Landscaper's Mix**
The complete planting mix for shrubs, flowers and trees. Contains aged bark mulch, Canadian Peat Moss, and Perlite.
3 cu. ft.
Reg. $7.99
SPECIAL............3/$19.88

Calloway's Premium Planting Mulch
Great for plants. Insulates roots, retards grass and weed growth and enriches soil.
3 cu. ft.
Reg. $3.99
SPECIAL............3/$9.88

Calloway's Premium Fertilizer
21-7-14 + 3% Iron & Sulfur
This slow release 3-1-2 formula is custom blended for the metroplex.
Covers 5000 sq. ft.
25 lb. bag............$12.99 each

Nana Nandina

Hardy, low-growing and compact evergreen shrub. Soft cupped leaves and bright red-orange foliage in winter.
1 gal. Reg. $6.99
SPECIAL............$5.88 each

Calloway's Premium Potting Soil
Professional blend. Prevents compaction and promotes healthy root development.
40 Qt. bag
Reg. $5.99
SPECIAL............$4.88 each

Canadian Peat Moss
by Sunshine

Top quality, 100% brown sphagnum peat.
4 cu. ft.
Reg. $14.99
SPECIAL............$9.88 each

BEST COPY AVAILABLE

Attachment E

Eats and Treats

Sandwiches: Choice of rye, whole wheat, or white bread

Roast beef	$2.39
Ham	$2.39
Turkey	$2.39
B.L.T.	$2.19
Tuna salad	$1.99
Cheese	$1.29

Combination Sandwiches

2 meats and cheese	$2.99
3 meats and cheese	$3.59

Comes with tomatoes, lettuce, onions, pickle, mayonnaise, and mustard. For American or Swiss cheese, add .20¢.

Chips .69¢

Drinks:

Coke, Diet Coke, Dr. Pepper, or Sprite

Small (12 oz.) - .59¢
Medium (16 oz.) - .74¢
Large (20 oz.) - .89¢

Grade Level: **Third**

Concept: **Role of Government**

Teacher Terms	Student Terms
Some goods are provided by the government.	**Some things, including schools, parks, and police and fire protection, are provided by the government.**

Objectives

The third grade student will be able: **to categorize examples of public and private property.**

Resource Materials

- Pencils, crayons, or markers
- Construction paper
- 3 x 5 index cards
- Scissors
- Glue or paste
- Magazines
- Sales receipts from grocery stores, department stores, hardware stores, etc.
- Milk cartons (small 1/2 pint size)

Focus

1. Discuss with the students the terms "public" and "private" in regard to property, goods, and services. The students will need to be able to identify goods and services that are provided by the government and those provided by private businesses or individuals.

2. After a discussion with the students of the definition of public and private property, share the "apples" depicting examples of public and private property (Attachments A-D). Make a large apple poster or bulletin board; one for public and one for private property. Make a hole in the large apple poster so that the students' smaller apples will be able to fit through it. Have the students cut out their apples and place them in the correct hole. Have students locate examples or pictures of public services, such as post offices, roads, etc., to include. The teacher could then make an expanding construction paper worm that fits into the holes of the large poster apples. Glue the students' smaller apples onto the worm and fold it up to fit into the hole. The large apples should be on display while discussing this part of economics, and the worms should be added to as the students find other examples of public and private property.

Modeled and Guided Practice

1. Discuss with the students that the government needs money to provide the community with goods and services. The way it receives that money is through taxes. Taxes can be collected in three ways: income, sales and property. Discuss the worksheet entitled "Taxes" (Attachment E) and have the students identify which of the three kinds of taxes pertain to the situation. Have the students bring in receipts from as many different establishments as possible. List on the board and categorize the items that were taxed (e.g., clothing, toys, books, cleaning supplies, etc.). For each receipt, have the students subtract the tax collected from the total to see what they would have paid without the sales tax. Then see if students can determine what the government would have collected if seven people had purchased the same items and paid the taxes. Have students note that even restaurants charge tax for the meals they serve. (See if the students can decide why.) At the end of a week, have the students total the tax on all the grocery store receipts, hardware store receipts, and others to determine how much sales tax was collected just from this one class for one week.

2. In the "Remain Standing Please" activity (Attachment F), students will identify and discriminate between goods and services that are provided by the government and those that are not. The teacher or leader will be in charge of the clues. Each of the other students will be handed a picture card of a building, service, or good that may or may not be provided by the government. Have all the students stand with a card and explain how the item they are holding is provided. The teacher/leader then tells the class a clue. If the clue fits the card that a student is holding, then he/she may remain standing. If it does not, then those students must sit down. Continue to give clues until only one student is left standing. After each clue, have the class predict which student will be left standing. When there is only one student left, go back and repeat the clues to see if they truly did fit the picture card. Can the class think of any other clues that might have fit the picture? Ask if any of the other pictures could have fit the clues and explain why or why not. At the end, have the students take the picture cards and line up on two sides of the room, depending on whether their pictures are public goods or services or private ones.

3. For the government to provide services, it must purchase many goods and services (e.g., to provide mail service, the government must build post offices and buy mail trucks, boxes, letter bags, etc.) In the "Name One More" activity, students will be shown item cards of goods and services needed by the government to provide services. Make label cards or, on the board, show the services the government provides, e.g., fire protection, police protection, roads, mail delivery, and libraries. Start with one main category of the item cards needed for that category under the heading. Challenge the students to see how many more item cards they can place under that category. Do this with all the labels. Then have the students name other items that could be placed in each category, except that there were no item cards for them.

4. Students will distinguish between goods and services normally provided by the government and those that are normally purchased from businesses by individuals or families through the "Match/Mismatch" activity (Attachment G). The students will need a set of "yes" and "no" response cards that can be made from index cards. A set of word cards listing goods and services are needed and the list of attributes. Shuffle the word cards listing goods and services, show each item and allow the students to respond with their "yes" or "no" card to each as to whether or not the item is supplied by the government. Then using the list of attributes, have the students decide if the attributes answer "yes" or "no" to each of the word cards. Have the attributes listed on a poster or the board or a transparency.

Independent Practice

1. Have the students choose one of the following and write a description that compares the likenesses and contrasts their differences.
   a. a private school vs. a public school
   b. a public park vs. a private yard
   c. a bookstore vs. a public library
   d. a taxicab vs. a city bus
   e. a government/city building vs. a business office
   f. a city lake vs. a family-owned pond
   g. public television programs vs. commercial television programs

2. See if students can identify examples of public/private property in their own school neighborhood. Use Attachment H for this activity. Discuss with the students which direction is north, south, east, and west in relation to their school. Help them determine where they might place some of their examples. Do this in a two-step process by having them draw all the public properties in first and color them one color and then draw in the ones showing private properties and color these a different color.

3. In the activity, "Public and Private Jobs," students will learn the difference between jobs done for private business and those done for the public sector. Use the worksheet entitled "Public and Private Jobs" (Attachment I) for this activity. On the back of the sheet, the students should list other jobs they know that were not depicted and identify them as either public or private.

4. See the list of public and private property (Attachment J). Write this list on the board or a poster or make a transparency for the students to see. On the students' response sheets, have them write the places and things in the correct category. Students may add others if they wish. As an extension to this activity, have them make a collage of magazine pictures either depicting all private property or all public property.

5. The "Personal Shield" activity will help the students recognize how each of us is involved with the government. Have the students make a shield out of construction paper (Attachment K). The shield should be divided into four or five sections. In each section, the students should draw pictures or symbols representing how they and their families are involved with the government.

Evaluation

1. After reviewing the definition of public and private property and presenting the make-believe community map (Attachment L), students will color all the public property yellow.

2. In the activity "Unique and Common Governmental Services" (Attachment M), review with the students the items used for certain governmental services using the cards from the "Name One More" activity (Attachments N-P). Let the students work together with a partner or on a team to decide on a common item that they think everyone would pick for the category listed and then decide on an item not shown that they think no one would pick for the category shown. Have the teams declare what they wrote for their common items. Any teams that choose the same items each receive a point. Then have the teams declare their unique items. A team gets a point for each item that no other team chooses. The first team to acquire seven points is the winner. Have the students discuss how they chose their answers and add these comments to the bottom of their charts, e.g., they picked big things for the common items or popular things for the common items. Did they discover anything that they hadn't thought of before?

3. Students will demonstrate their recognition of public private property (Attachment Q). They will color the public examples blue and the private examples green. They will do the same with the jobs worksheet, except they will circle the public service jobs and put an X on each private service jobs.

Extension

1. Simulate three different economies:

    a. a place where all the property is public property
    b. a place where all the property is private property
    c. a place where there is both public and private property

    The class will act as citizens to solve the following problems: a) how to cut crime, b) how to improve the quality of places in their town, c) how to eliminate pollution.

Use the following situations to see how the problems are best solved. Have the students work in groups and assign one of these situations to each group. One student should be a recorder to write down how his/her group reached its conclusion.

Problem Situations:

1) At a library, seven children would all like to check out the same book, but there are only two copies available.
2) In a store, a child takes a toy and walks out without paying.
3) A family in town decides to build a house in a park next to a duck pond.

After the groups reach their conclusions, have the recorders share the groups' ideas with the class. See if there are any other solutions possible and then vote on the one students think is the best possible solution.

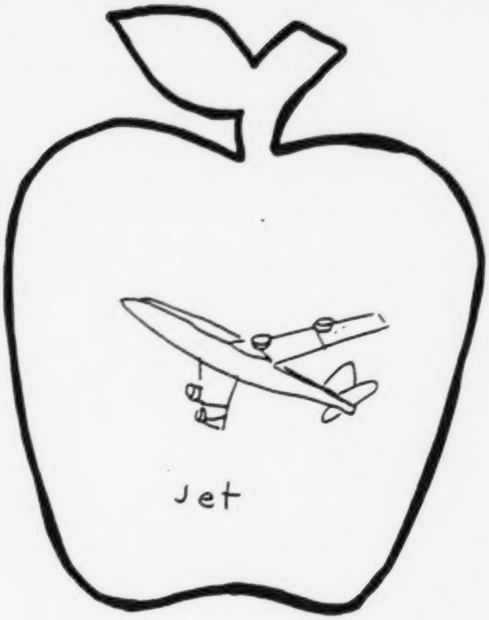
2. Have the students make an artificial town from milk cartons to illustrate the concept of public/private property. Use one or more milk cartons for each building. Have the students use construction paper to cover their cartons and draw windows and doors on their buildings. Have students make signs out of construction paper to tell what kind of establishments they are creating. See if they can make their milk-carton buildings look similar to those in their community. Then arrange the buildings on a sheet of poster board and have some students design the roads, parks, bridges, etc. that are needed. Make flags out of toothpicks and colored triangular paper to denote if the building is a public or private building.

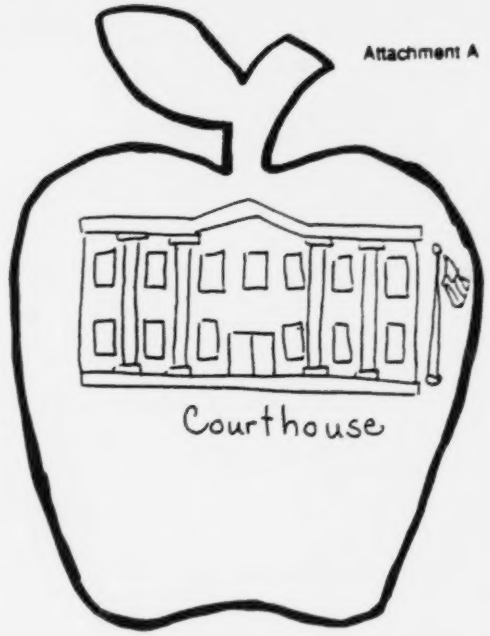
3. Use the book Oranges by Zack Rogow to illustrate how oranges are distributed from beginning to end. Have the students investigate the role of the government in having the oranges transported from the orchards to their final destination at the market. Have the students complete Attachment R to show the sequence of how oranges are harvested and shipped to market. Using the mileage chart, have the students determine possible mileage in transporting the oranges between Texas cities. Discuss that most of the roads used were built by the government. Have the students think of other ways the oranges could have been shipped if the state and federal highways had not been available. List reasons both pro/con for transporting the oranges by truck rather than by plane. Have the students think of other ways the oranges could have been shipped if the state and federal highways had not been available. List reasons both pro/con for transporting the oranges by truck rather than by plane.

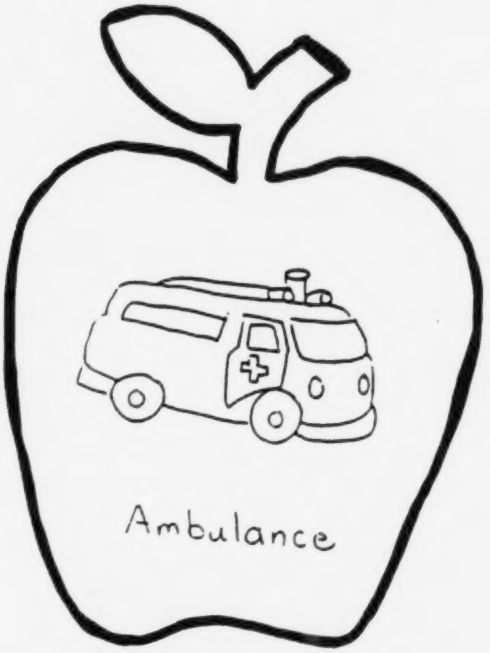
Additional Resource Materials

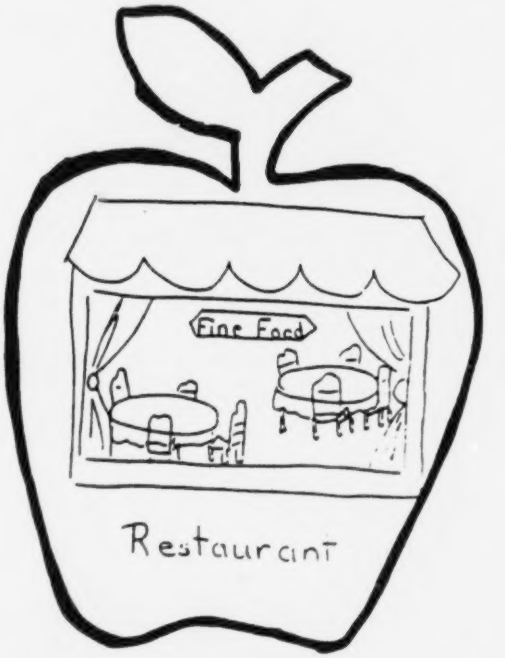
- Elementary Lesson Plans 4, Center for Economic Education, Rhode Island College, 1988
- My Community, Sullivan, Dianna, Teacher Created Materials, Huntington Beach, CA, 1989
- Oranges, Rogow, Zack, Orchard Books, New York, 1988
- Strategies for Teaching Economics: Primary Level, Joint Council on Economic Education, 1977
- The Elementary Economist, Joint Council on Economic Education, Vol. 9, No. 1, Fall, 1987

Attachment A

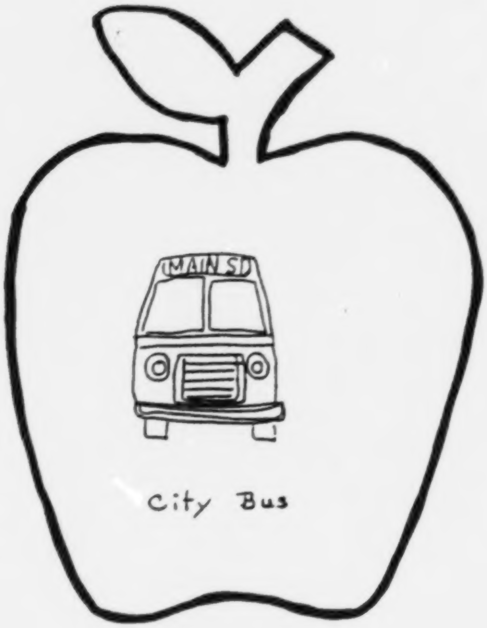



Courthouse




Fine Food
Restaurant

Attachment B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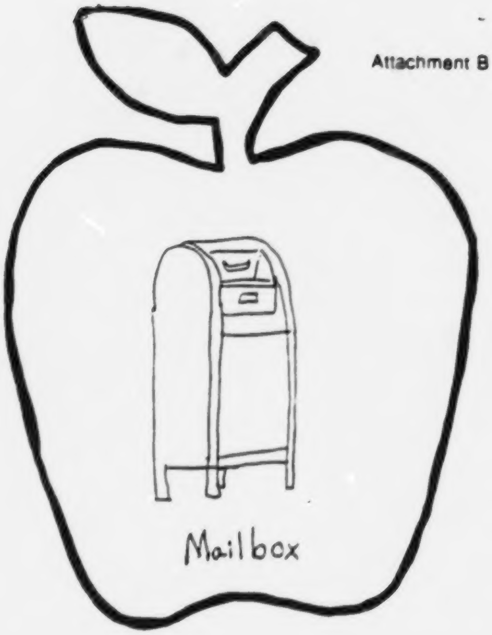
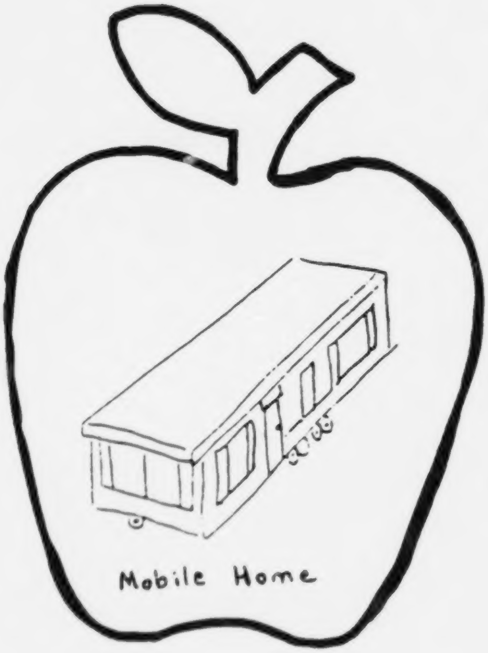
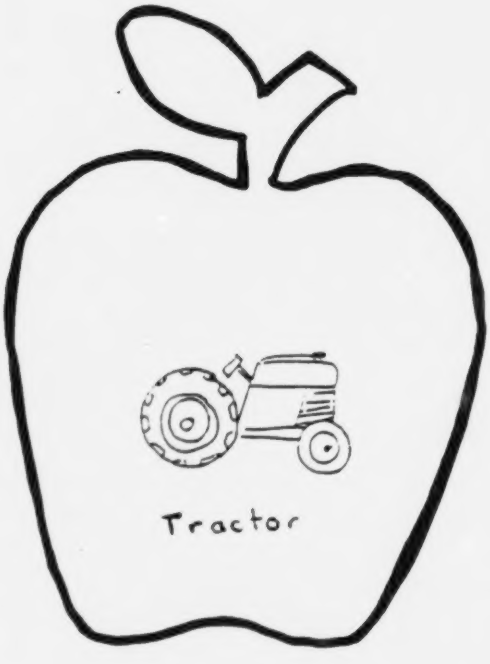
City Bus




Mobile Home



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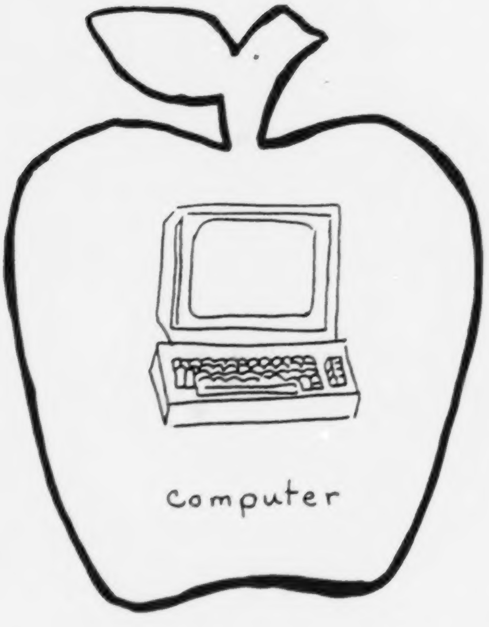
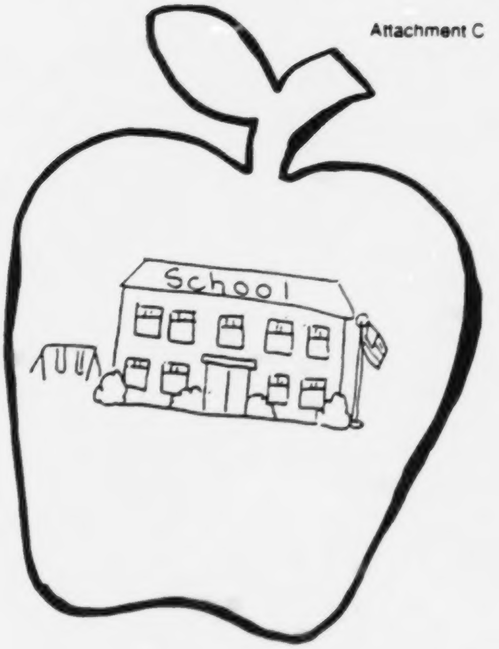
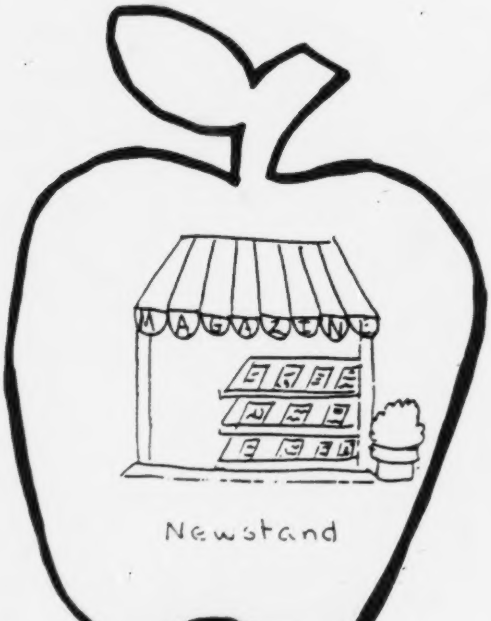
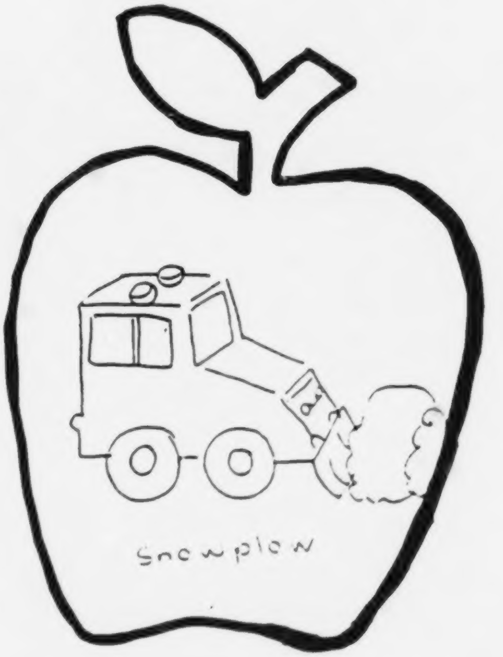





MAGAZINE
Newstand



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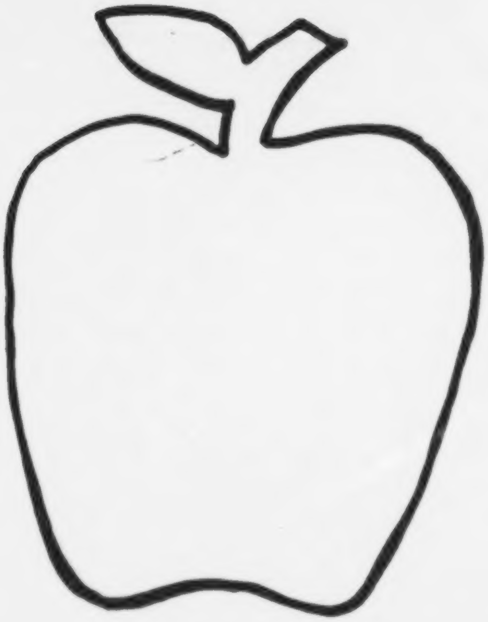
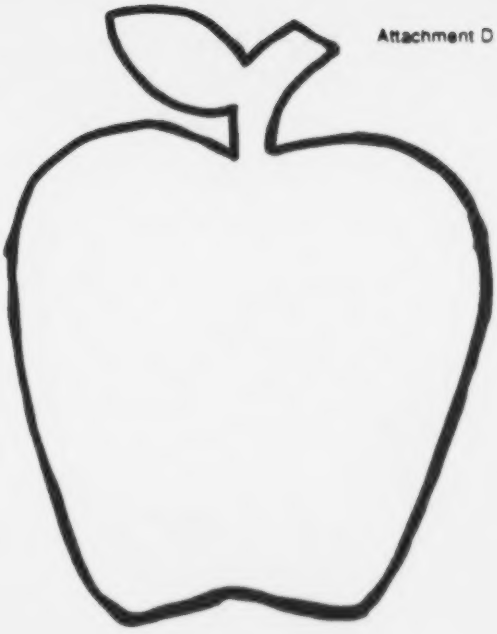
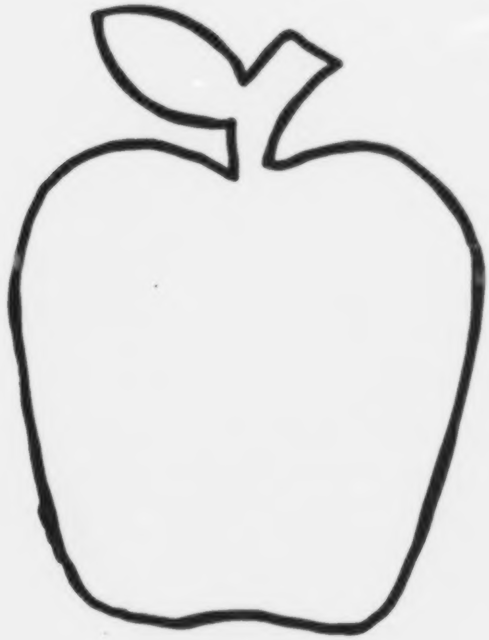
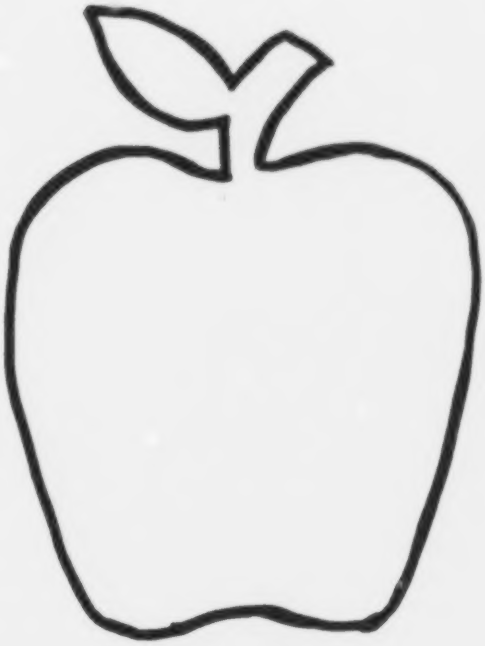








Attachment E

TAXES

1. People and businesses pay taxes on the money they earn. (Income Tax)

2. People pay taxes on the things that they buy. (Sales Tax)

3. People pay taxes on their land and buildings. (Property Tax)

DIRECTIONS: Place a $ in the matrix to indicate the type of tax implied in each statement.

		1	2	3
1.	A bluebird gets a tax bill for the nest he has just built.			
2.	A skunk buys a new brand of chemical--STINKO.			
3.	A beaver completes a dam for a bear and gets paid for it.			
4.	A lioness gets a bill on some empty land that she uses for hunting.			
5.	A winning race horse gets a tax bill.			
6.	A hungry octopus with bad eyes has to buy his crayfish at the fish market.			
7.	A goat gets a bill on her favorite junkyard.			
8.	A skinny dog starts buying his bones from the butcher.			
9.	A fox is rewarded with money for protecting a farmer's chickens.			
10.	A horse, tired of iron shoes, buys two pairs of roller skates.			

Clues for "Remain Standing Please"

If the clue you give fits a student's picture card, then the student may remain standing. Continue to give clues until only one student remains. Try to predict the outcome after each clue is given.

Item 1 City Bus
1. This is provided by the city government.
2. It carries people.
3. People pay to ride on it.
4. It travels the same route over and over.

Item 2 Waste Can
1. Things are put in it.
2. This is not usually provided by the government.
3. There are usually several of these inside the house.
4. These are usually the size of a bucket.
5. You can empty them into a garbage can.

Item 3 Jail
1. This is a place people stay.
2. This is not a pretty place.
3. This has a roof.
4. It is provided by the government.
5. The doors are locked.
6. It holds criminals.

Item 4 Wagon
1. This has four wheels.
2. It is usually not supplied by the government.
3. It is used for riding.
4. You can carry things in it.
5. It is usually used by children.

Item 5 School
1. People stay here during the morning and afternoon.
2. It is usually provided by the government.
3. It has several doors that are not usually locked.
4. It has many books inside.
5. It is a place for children to learn.

Match/Mismatch Attribute Cards

These may be affixed to index cards, listed on the board, or made into a transparency.

---

supplied by the government

families purchase good from a business

used by only one of two people

used by many different people (or used to protect people)

used only by children

used for children and adults

supplied by governments for your protection

supplied by city government for fire protection

something you buy at a restaurant

something a city government usually buys

something a police officer does

a service supplied by the government

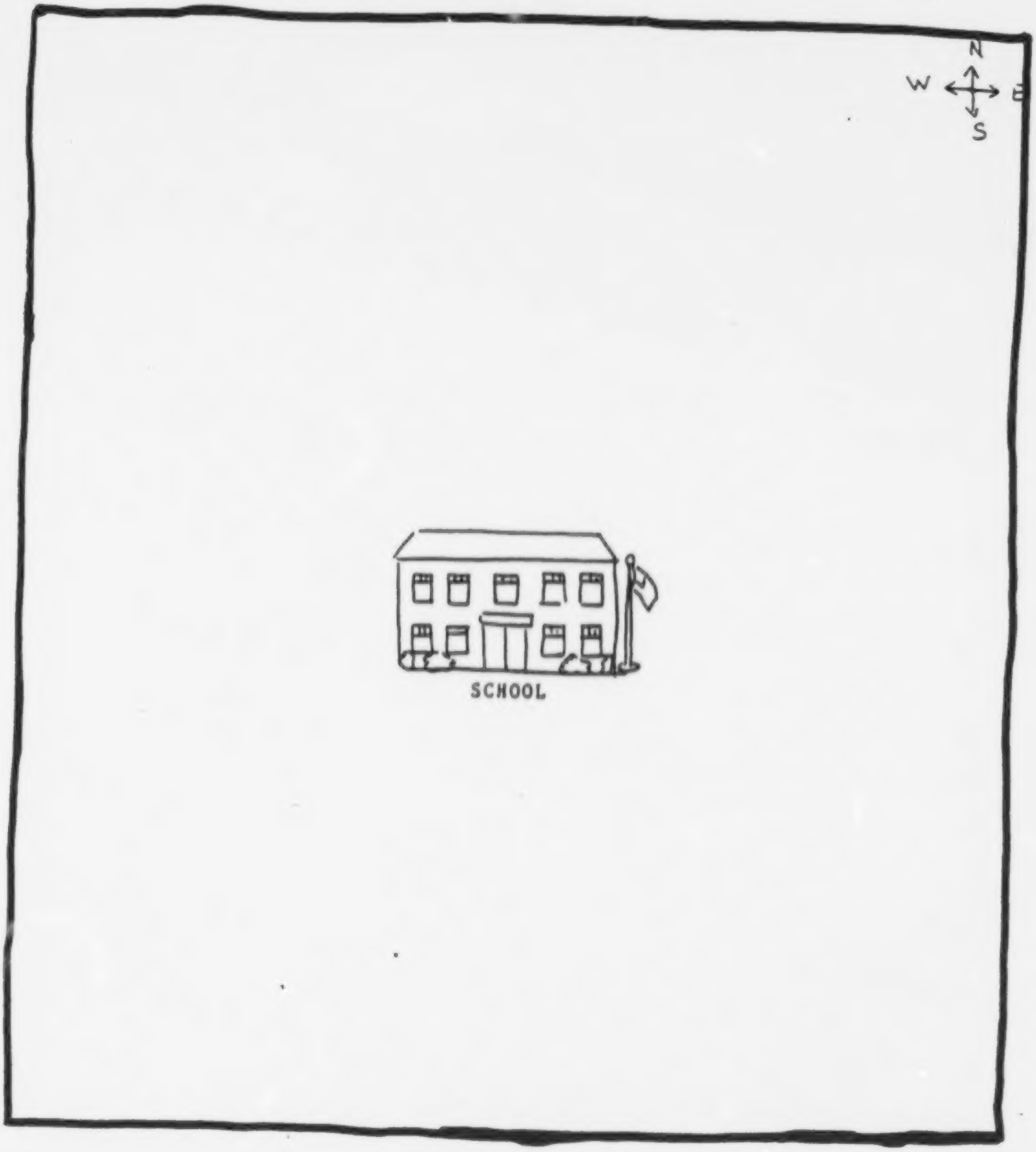
a service that people usually buy from a business

something used to take children to school

PUBLIC AND PRIVATE PROPERTY

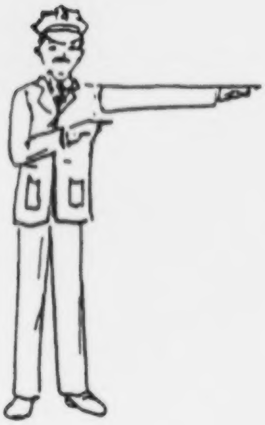
Attachment H

How many examples can you identify of Public and Private property around your school community? Write the names in boxes and try to place them in locations that correspond to the location of the school. (Note the direction symbol in the box.)

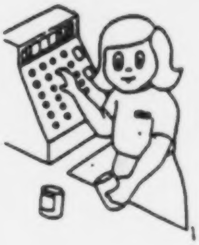


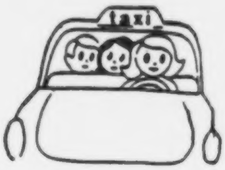
Attachment I

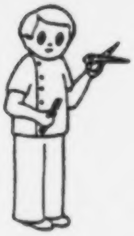
PUBLIC JOBS VS PRIVATE JOBS

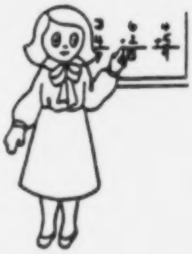


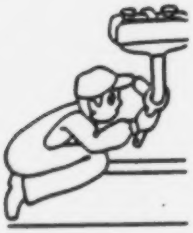
Follow the traffic policeman's directions and circle the pictures of people performing in public service jobs. Put an X on the pictures of people performing in private service jobs.

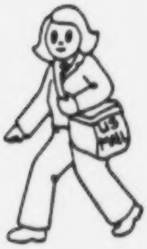


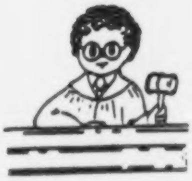


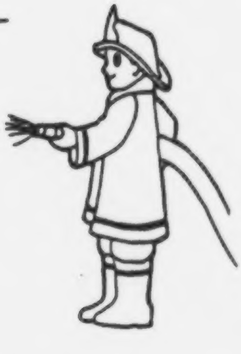


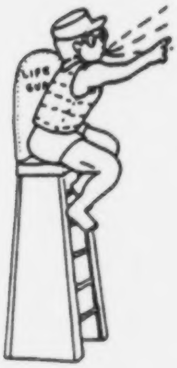


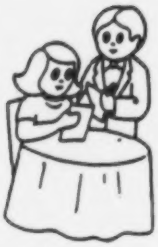


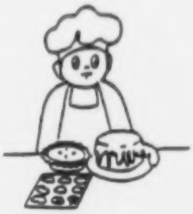












Attachment J

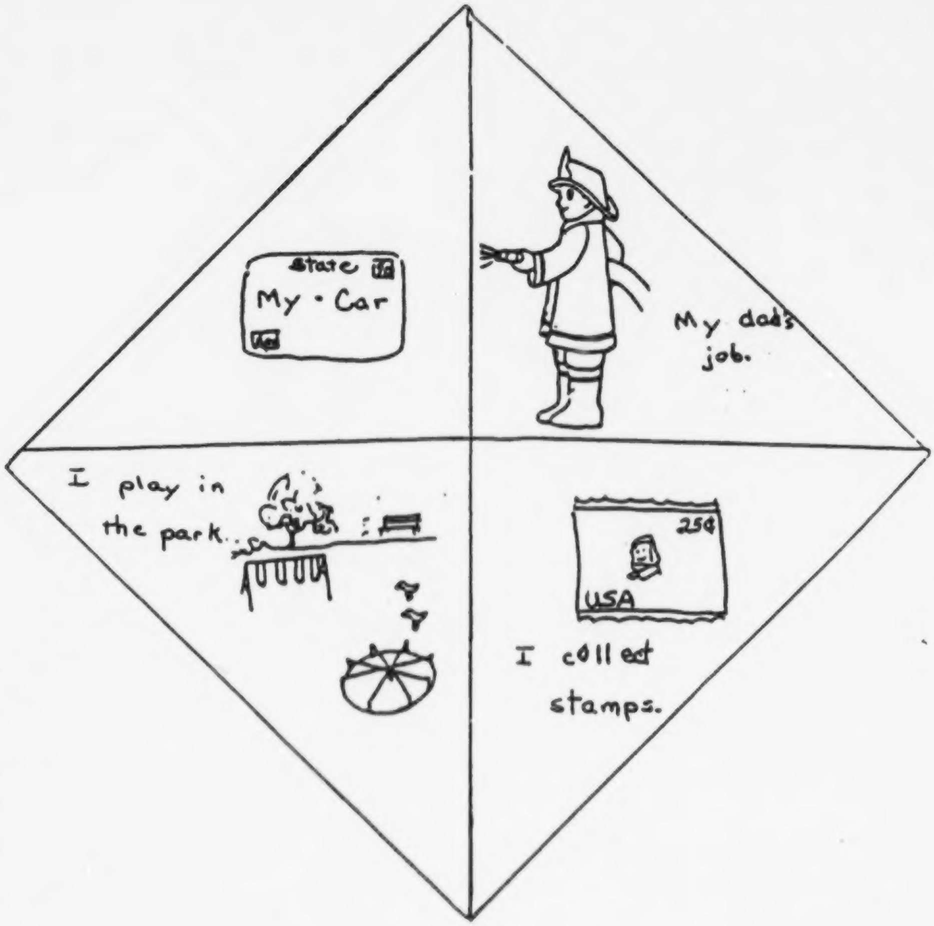
Public/Private Property List

Have students write these places and things in the correct box, either PRIVATE or PUBLIC property.

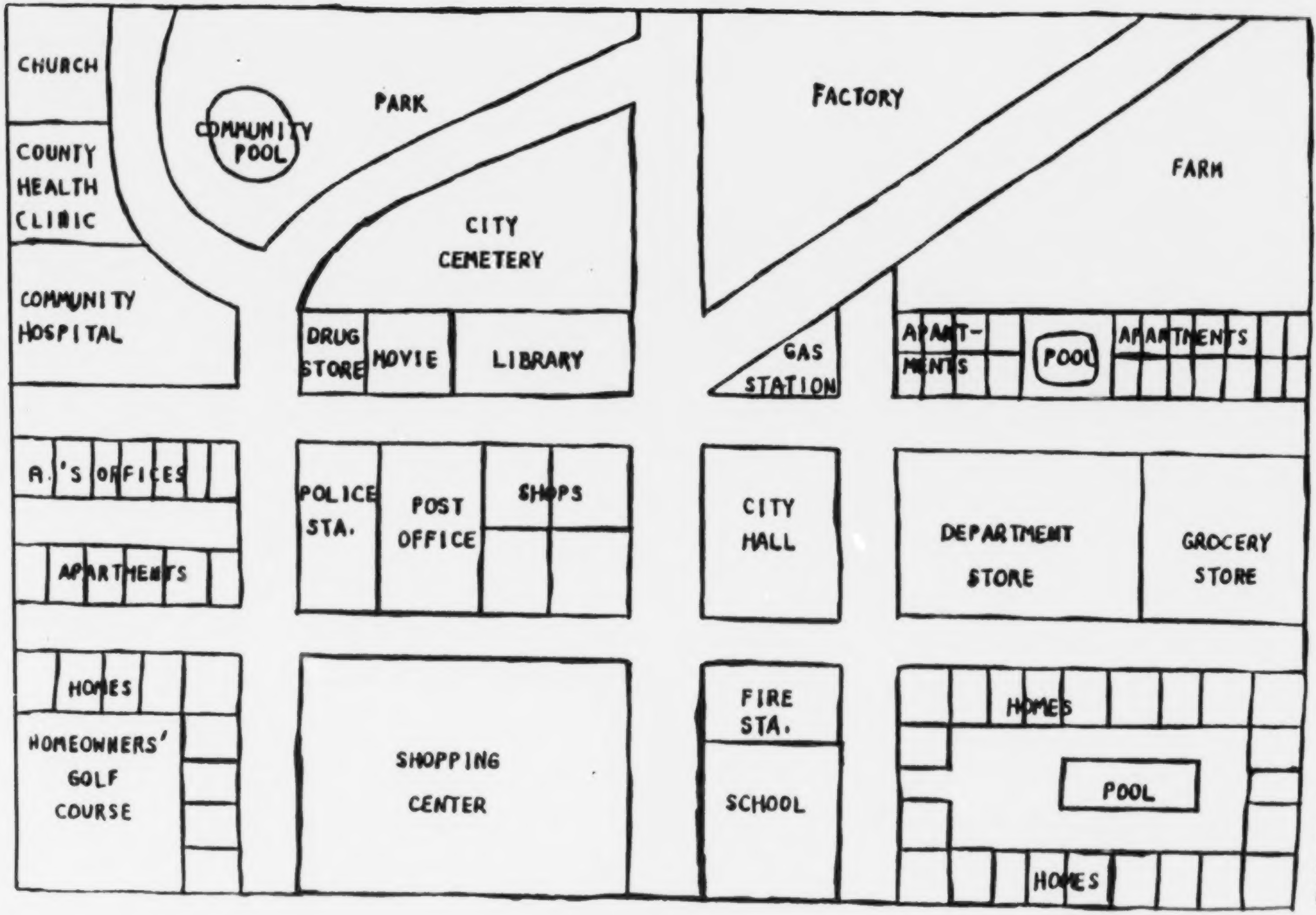
city jail
courthouse
bike
school
highway
mobile home
bridge
moving van
movie theater
shoe store
school bus
mail truck
street sweeper
stateboard

library
home
fire engine
post office
city park
backyard
car
restaurant
art museum
hair salon
hamburger stand
speedboat
stop sign
grocery store

Illustration for Personal Shield


State
My · Car
My dad's job.
I play in the park.
25¢
USA
I collect stamps.

COLOR THE PUBLIC PROPERTY YELLOW


CHURCH
COUNTY HEALTH CLINIC
COMMUNITY HOSPITAL
COMMUNITY POOL
PARK
CITY CEMETERY
FACTORY
FARM
DRUG STORE
MOVIE
LIBRARY
GAS STATION
APART-MENTS
POOL
APARTMENTS
A.'S OFFICES
APARTMENTS
POLICE STA.
POST OFFICE
SHOPS
CITY HALL
DEPARTMENT STORE
GROCERY STORE
HOMES
HOMEOWNERS' GOLF COURSE
SHOPPING CENTER
FIRE STA.
SCHOOL
HOMES
POOL
HOMES

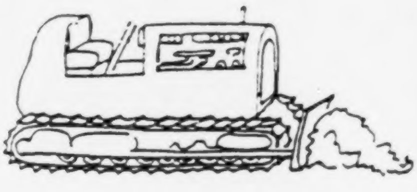
Attachment L

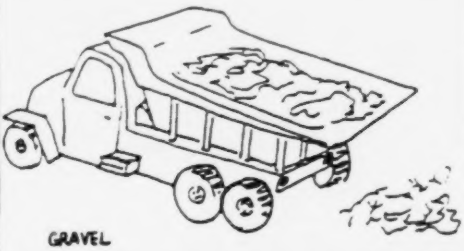
Unique and Common Governmental Services

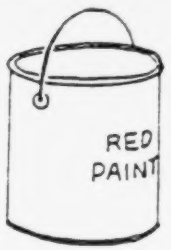
Some items used by governmental services are quite common and recognized by everyone, while others are somewhat unique. (e.g., in fire protection, a common item is a fire truck, while a unique item might be a fire alarm box.) Students may work together as teams to see how many of the categories they can fill in.

CATEGORY	COMMON	UNIQUE
Fire Protection		
Police Protection		
Park Service		
Roads		
Library		
Schools		

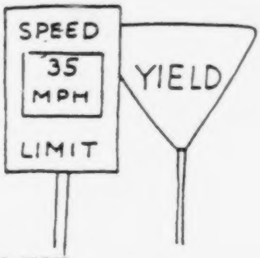
Attachment N

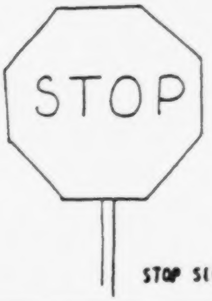

GRADER


GRAVEL

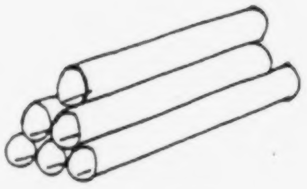


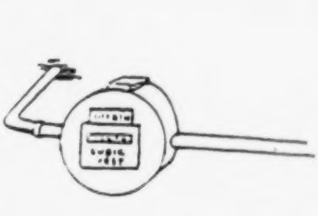
PAINT

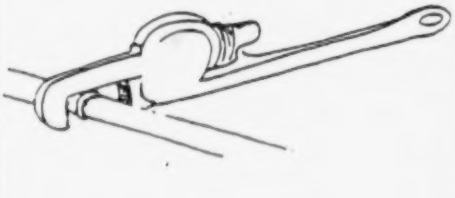

SPEED
35
MPH
LIMIT
YIELD
ROAD SIGNS



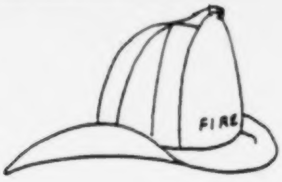
STOP SIGN


PIPE

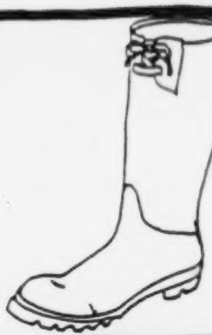

WATER METER


PIPE WRENCH

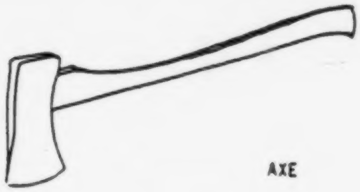
Attachment O



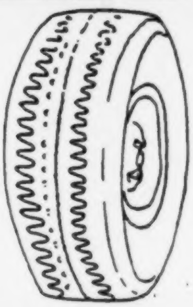
HAT



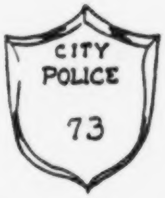
BOOTS



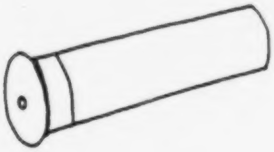
AXE



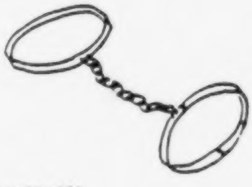
TIRES


CITY
POLICE
73

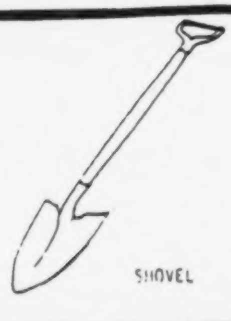
BADGE



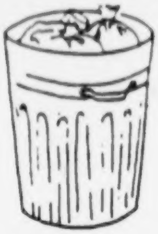
SHELL



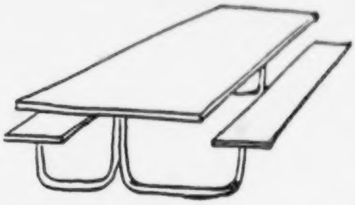
HANDCUFFS



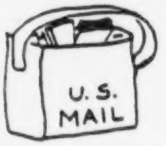
SHOVEL



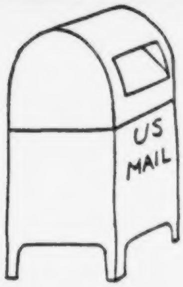
TRASH CANS



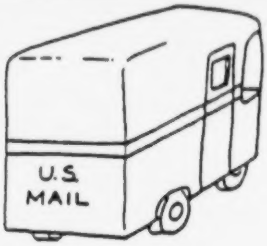
PICNIC BENCH



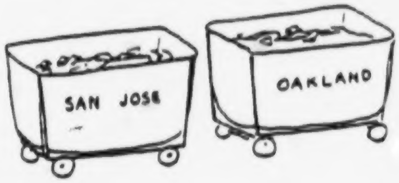
MAIL SACK



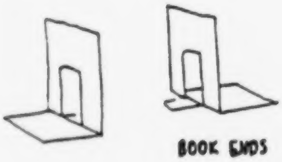
MAIL BOX



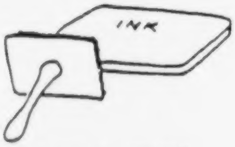
MAIL TRUCKS


SAN JOSE
OAKLAND

SORTING CARTS



BOOK ENDS

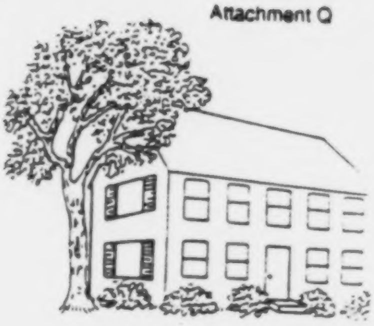


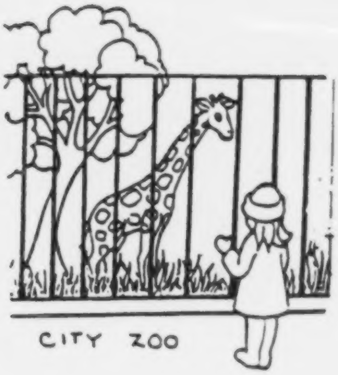
RUBBER STAMP

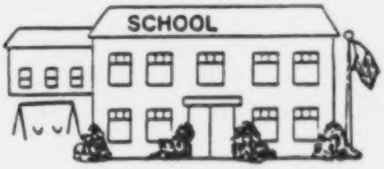
Attachment Q

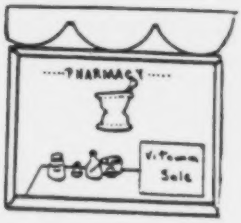
PRIVATE VS PUBLIC PROPERTY

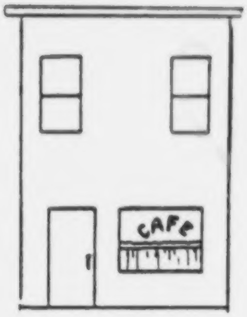
Can you tell the difference between public and private property? Color the examples of public property BLUE. Color the examples of private property GREEN.

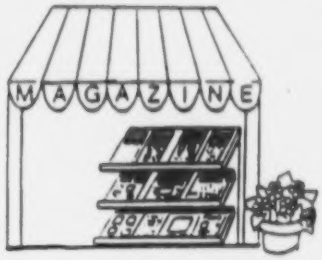


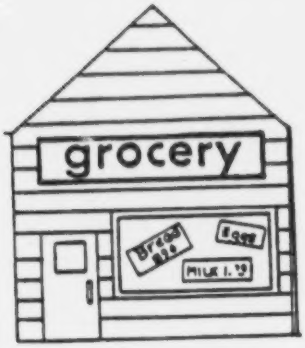


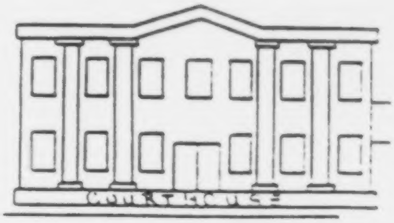



PHARMACY
Vitamin Sale

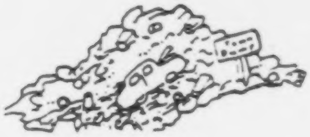





grocery
Bread 89¢
Eggs
MILK 1.79

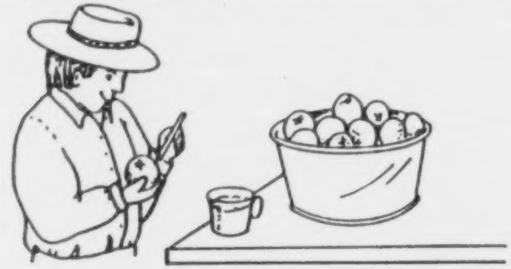

COURTHOUSE

City Jail

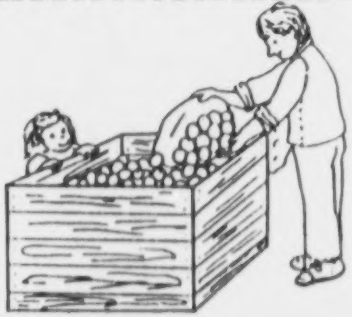


HARVESTING ORANGES

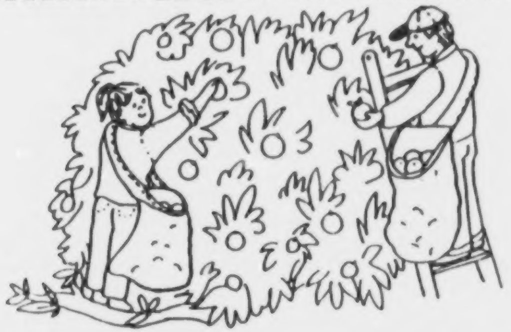
DIRECTIONS: These pictures are mixed up. Put them into 1-2-3-4 order.



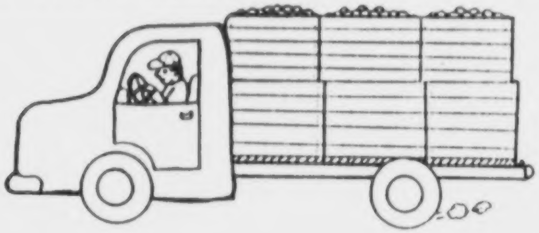
Oranges must be ripe on the trees before they are picked. The sugar and juice in an orange is measured to be sure the orange is ripe.



When the picking sack is full of oranges, the end of the sack is unhooked so the oranges can gently roll into a field box.



When the oranges are ripe they are picked by a picking crew. The oranges are put into a picking sack.



The field boxes of oranges are loaded onto a truck. The oranges are taken to a packing house.

Attachment R

Grade 4

Grade Level: **Fourth**

Concept: **Productivity**

Teacher Terms

The level of output in an economy can be increased through specialization.

Student Terms

Specialization usually increases the number of goods and services that are produced and lowers their costs.

Objectives

The fourth grade student will be able to: **define productivity, specialization, and the division of labor; apply the principles of division of labor to tasks in a specific activity in the classroom; explain how specialization increases production in the workplace; complete an assembly line activity illustrating the division of labor.**

Resource Materials

- Pattern and construction paper
- Scissors and glue time charts
- Markers and crayons
- Blank paper
- Gift From a Shop by Albert and Nicole Eiseman
- The Popcorn Book by Tomie de Paola
- Materials

Focus

1. Teacher introduces the concept of productivity and states that the students will engage in an experiment. Divide the students into groups of six. Half of the groups will be employed by LONE STAR SADDLES. The other half works for COWBOY CADILLAC SADDLE CO. Students are instructed to make as many saddles as possible in 10 minutes. One company's workers are required to work individually. Each of these workers will receive a pile of all the parts needed to make saddles. They must separate, cut, and assemble their saddles individually (Attachment A). The other company's workers are specialists and work in an assembly line. Be sure to demonstrate how the assembly line works before beginning. Begin the simulation. Allow the students 10 minutes to produce as many saddles as possible. Debrief when the time is expired. Ask the students to explain which company was most productive and why.

2. The students will brainstorm about "having a steak dinner." On the chalk board list occupations required to provide the product to the consumer. Discuss how each person contributes to the process and explain the interdependence between the livestock producer and the consumer.

Modeled and Guided Practice

1. Ask students to list ways they can be more productive with their time. Assist the students in making a daily planner (Attachment B) which covers a typical day. Encourage the students to organize their time productively by specializing their time (e.g., homework time, leisure time, etc.).

3. Distribute the materials needed to use the Bookmark Factory (Attachment C).

Independent Practice

1. Create a bar graph on the Ferris Barbed Wire Company that compares productivity over a period of five years (Attachment D).

3. Discuss how an assembly line works and give examples. Have students write a paragraph about what type of assembly line they would like to work on (a pizza factory line, etc.).

4. Read Gift From a Shop by Albert and Nicole Eiseman and write a book report focusing on how the book addresses the topic of productivity (include bibliography).

Evaluation

1. Students will define productivity orally and in writing.

2. Studetns will write a newspaper article on why productivity is important.

3. Students will give examples of specialization and division of labor in our community.

Extention

1. Take the class to a local supermarket (Attachment E).

2. Distribute materials associated with "Crumble or Stand Strong: How We Depend On Each Other" (Attachment F).

3. Have students research the beginnings of the Industrial Revolution and cite examples of inventions that increased productivity, such as the cotton gin, flying shuttle, and the spinning jenny. How did inventions such as automatic milkers or combines, affect the Texas economy?

4. Have students identify and report on prominent inventors, such as Eli Whitney, whose inventions helped increase productivity in certain industries.

5. Have students interview a local business person about productivity and specialization, and report findings to the class. Research agricultural productivity in Texas from the native Texans to today.

6. Have students research the economy of your city. What important projects or industries have kept your city from becoming a ghost town? Who or what in the history of your city has been beneficial to the economy? Have any projects or businesses harmed your city's economy? Resources would include local historians and old newspaper clippings.

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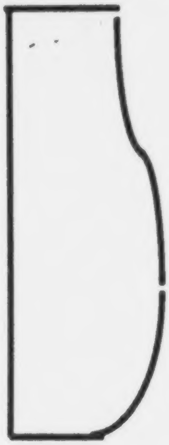
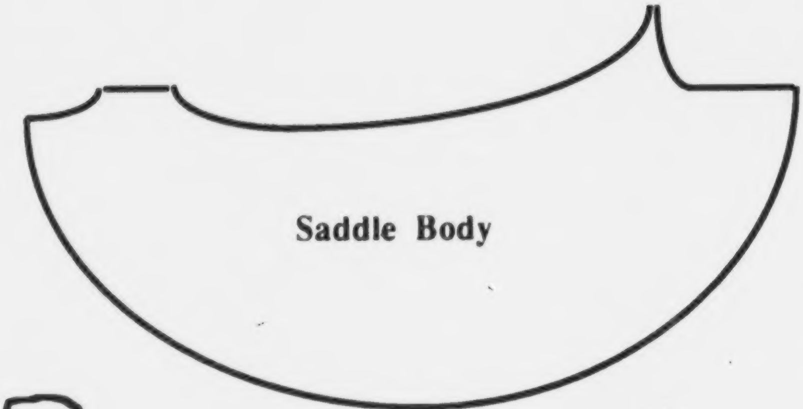
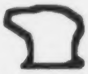
Attachment A

Saddle Fender

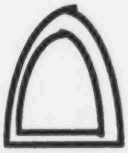


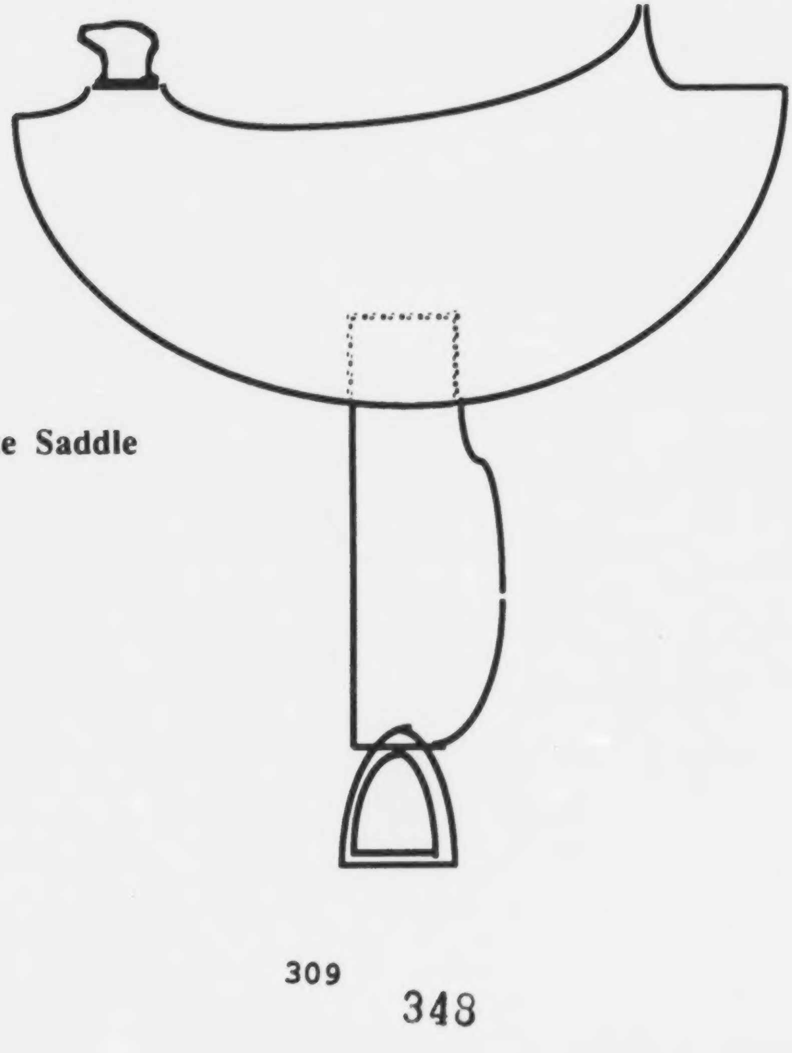


Saddle Body



Saddle Horn





Complete Saddle

Attachment B

Name______________________________

THINGS TODAY
TO DO

DATE	APPROXIMATE TIME REQUIRED	COMPLETED	
1			☐
2			☐
3			☐
4			☐
5			☐
6			☐
7			☐
8			☐
9			☐
10			☐
11			☐
12			☐

Attachment C

Bookmark Factory

Materials

Supplies for a class of 25-30 students:
- 15 pairs of scissors
- 12 containers of glue
- 100 sheets of 8 1/2" x 11" white paper with 2 3/4" x 8 1/2" rectangles marked on them (see Procedure 1)
- 200 sheets of yellow paper with circle patterns on each sheet
- 13 black crayons
- 11 large manila envelopes

Procedure

1. To prepare the rectangle pattern, fold a sheet of 8 1/2"x 11" paper crosswise into four quarters. Flatten the sheet. Lay a straight edge along each fold in turn and draw broken lines across with a blunt pencil or felt-tipped pen. Use this sheet as a master to make the rectangle patterns. Students cut the rectangles apart along the broken lines.

2. Prepare the following packets of materials in advance:
   a. Put one set of the following materials in each of ten of the large manila envelopes: one pair of scissors, one container of glue, five sheets of the rectangle pattern, 10 sheets of the circle pattern, one black crayon.
   b. Put all the following materials in the remaining manila envelope: five pairs of scissors, two containers of glue, 50 sheets of the rectangle pattern, 100 of the circle pattern, three black crayons.

3. Tell students that some of them are going to be workers in their own factories. A second group will work together on an assembly line in a large factory, and a third group will be observer/quality control experts. Show students a completed bookmark.

4. Explain that students should carefully watch what is happening during the production process as they participate in this activity.

5. Divide the class into working groups and observers. Select ten students to work individually. Space them around the room at desks or small tables. Select another ten students to be assembly line workers and place them at a large table. Tell the remaining students (observers) they will be free to move around the room and observe what is happening.

6. After students have taken their assigned places, distribute packets and demonstrate how to make a bookmark. Allow students time to ask questions, get organized, and practice making a bookmark. Collect practice bookmarks before the simulation begins. Each solo worker must prepare one bookmark at a time. The assembly line workers need to decide which workers will be responsible for which tasks.

   NOTE: To facilitate this activity, help the assembly line workers to assign tasks on the basis of abilities of individual students.

Attachment D

Productivity

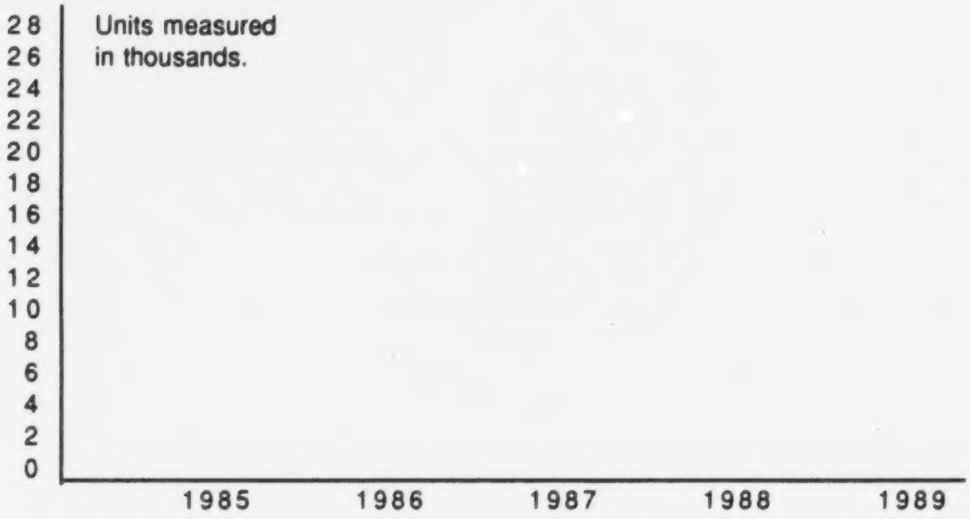
Student Directions: Read the following paragraph and complete the bar graph.

The Ferris Barbed Wire Company has been in business for five years. The owners are interested in viewing their company's productivity levels over the past five years.

Use this information to complete the productivity bar graph for the company owners. (Your check is in the mail!)

- Eight thousand rolls of barbed wire were sold in 1985.
- Twelve thousand rolls were sold in 1986.
- Twenty-one thousand rolls were sold in 1987.
- The same number of rolls were sold in 1988.
- Twenty thousand rolls were sold in 1989.

Ferris Barbed Wire Company
FIVE YEAR PRODUCTIVITY GRAPH



Attachment E

Division of Labor and Interdependence in a Supermarket-Field Trip

Resources

- Assistance of a local supermarket manager who has agreed to guide a tour of the store.
- Large sheets of paper and art supplies for making a mural.

Procedure

1. Prepare for the field trip in advance by discussing your instructional objectives with the store manager. Ask him/her to emphasize the different specialized jobs and how each is important in providing the best possible customer service. Instruct groups of the children to keep a record of the different jobs and the people who do these jobs at the supermarket.
2. After the trip, discuss the various jobs and the specialists who do them and keep the supermarket operating smoothly. What are the reactions of customers likely to be when supermarket employees make serious mistakes at the checkout counter, don't weigh foods carefully, don't keep shelves stocked, or don't show up for work? The discussion might be expanded to include questions about where certain kinds of the food at the supermarket come from, and how many people we depend on to get our food from the farm to the supermarket shelves. If possible, have class view a film on food production.

CRUMBLE OR STAND STRONG: HOW WE DEPEND ON EACH OTHER

Materials

- Quantity of building blocks - one for each child
- Pencils, crayons, and paper.
- Worksheet for each child.

Procedure

1. Ask the children to explain what might happen if the school janitor was unable to come to work for a week and there was no one to replace him (school building would become very dirty and unsanitary).
2. Have the children draw pictures of their fathers or mothers at work. Each child might also be instructed to write a sentence or two about father or mother's job.
3. As the children finish, tape the pictures to individual building blocks and stack the blocks to form a wall. When everyone is finished, discuss the various occupations represented, with emphasis on others who depend on the people in each job. Ask what the consequences might be if we could not depend on these people to do a good job. Illustrate by removing key blocks so the wall will tumble down.
4. Conclude the exercise with the attached worksheet.

WORKSHEET

We Depend on Many People

Name: ____

1. People we depend on for food are
____
____
2. Some people we depend on to help to keep us healthy are
____
____
3. Some people who help us to learn things are
____
____
4. Some people who help to protect us are
____
____

Farmer	Doctor	Teacher	Grocer
Principal	Firefighter	Police Officer	Dentist

Grade Level: **Fourth**

Concept: **Exchange, Money, Interdependence**

Teacher Terms

Money is any generally accepted medium of exchange. Greater specialization generally leads to increased interdependence between economic units.

Student Terms

Money is what most people will accept as payment for goods and services. When people specialize, they depend on each other more and more.

Objectives

The fourth grade student will be able to:

- **define money orally or in writing and explain the importance of economic interdependence.**
- **give reasons why money is preferred to barter.**
- **recognize that money is the generally accepted medium of exchange.**
- **relate in his/her own words the effects of specialization upon interdependence.**

Resource Materials

- Poster board and green marker
- Chart and worksheet which shows six flags of Texas
- Various types of money to display: corn, salt, etc.
- Various types of currency if available: peso, yen, mark, pound, franc, etc.
- Four or five jump ropes
- Kid's Summit 1990, Center for Education, Rice University
- Little Monsters at Work by Mercer Mayer (interdependence)
- Cowboys by Marie and Douglas Gorshine (interdependence)
- Playing cards for activities - provided with each activity

Focus

1. Display a large dollar sign ($) or an enlarged picture of a dollar bill. Ask students what this symbol means to them. Take all responses, listing them on the board. Remind class that paper and coins have not always been used, and they are not the only medium of exchange today.

Modeled And Guided Practice

1. Prepare a large bag which contains the various examples of money and currency including corn, salt, shells, coins, and bills. Have the students classify which of these they think are money. All things in the bag could be considered money. Explain the difference between money and currency.

2. Distribute "Barter, Money Exchange, and Money" (Attachment A).

Independent Practice

1. Students use reference materials to identify the six flags that have flown over Texas. Allow students to research which types of money were used under each system. (Mexican peso, Confederate dollars, etc. Don't forget to include types of money used by native Texans such as

corn, skins, shells, etc.) Students may utilize this information to create a chart or story book.

2. Students use reference materials to determine the names of the different types of money used in various countries. Oral presentations using visual aids could be presented to the class.

3. Read Little Monsters at Work by Mercer Mayer. Stop a few pages from the conclusion. Have students predict the outcome of the story. Complete the book and discuss differences between students' predicitons and the story's ending.

4. Make a list of different types of transportation that have increased interdependence in the state of Texas.

Evaluation

1. Students will define terms of exchange, money, and interdependence, and to give examples of each.

2. Students will solve word problems or circle graphs related to money.

3. Students will create an illustrated timeline which traces the different types of money used throughout Texas' history.

4. Students will report on various economic regions of Texas or the world.

Extension

1. Texas is not the only oil producing region in the world. When the price of oil falls in other parts of the world, the price falls in Texas too. The Texas economy is very sensitive to events in other parts of the world because Texas' economy is interdependent with other economies. Have students identify other nations that produce oil. List the members of OPEC and label them on a world map.

2. Have students write a science report explaining why Texas possesses oil reserves.

3. Have students research Texas industries and cite how they are interdependent with those of other states and nations.

4. Have students imagine the world without money, and write a story or create a play that addresses this theme.

5. Have students compare and contrast different types of currencies used in other countries and their value compared to the dollar.

6. Have students choose a nation and list its products and resources. Find out which of these resources we use here in Texas. What does that nation buy from us?

7. Have students cut out pictures of desirable products to exchange in class. Students must barter and try to acquire products they want.

8. Have students report on how communication and transportation have contributed to global interdependence.

Attachment A

"Barter, Money Exchange, and Money"

Read each statement and decide whether it best describes a money exchange system or a barter system. Then put a "B" for barter system or an "M" for money system of economics in the spaces provided.

1. ________ A chicken is worth one apple or four nails or six cookies.
2. ________ Storekeepers use cash registers.
3. ________ Buying most things takes a lot of time for everybody in the society.
4. ________ You can earn a living giving dogs haircuts.
5. ________ A storekeeper can stamp a number on a milk carton which is its price before he ever sees the buyer who wants it.
6. ________ If you wanted to sell a bale of hay, you would have to carry it with you.
7. ________ It's easier to buy and sell.
8. ________ Most people produce more than one kind of things.
9. ________ You can find a nice, small town in Switzerland where almost everybody makes watches.
10. ________ You have a large storeroom with many items in it that you use when you want or need something.

Grade Level: **Fourth**

Concept: **Economic Systems**

Teacher Terms

The U.S. economy is organized around a system of private markets in which prices for goods and services are determined.

Student Terms

In the U.S. prices for most goods and services are set by buyers and sellers making exchanges in markets.

Objectives

The fourth grade student will be able to:

relate in his/her own words that economic systems answer three basic economic questions:

a. What will be produced?
b. How will it be produced?
c. For whom will it be produced?

Resource Materials

- Bonus point certificate, soft drink, or any other item deemed valuable by students
- Newspapers and magazines
- Reference books
- Kids' Summit Materials 1990, Center for Education at Rice University

Focus

1. Teacher will define consumer as one who is willing and able to pay for a particular item. He/she will then display a pizza box to students and review the definition of a consumer. Teacher will then ask which students are willing and able to pay $50 for the pizza. A chart is started on the overhead or chalk board to show how many hands are raised at each price. Teacher will repeat the process, reducing the price each time and charting the responses. When the process is complete, the result will be a graph of a market survey. Now explain to the students that the price for the pizza will be set according to which figure most satisfies both the buyer and the seller. This is how prices are set in a market economy.

2. Teacher will provide definitions and examples of the three types of economic systems: Traditional Economy, Command Economy, Market Economy.

Modeled and Guided Practice

1. Teacher lists the major economic regions of Texas and discusses how they may influence the economic systems of the region.

2. Students create drawings that illustrate examples of economic systems. Traditional example: Indian cultures; market example: modern Texas oil industry; command example: Texas Rangers.

3. Distribute the materials required for "How Do I Know Anybody Will Buy My Product?" (Attachment A).

Independent Practice

1. Students create picture books or dramatize scenes from each type of economic system.

2. Students choose products, conduct a market survey, and graph the results.

3. Students are given various scenarios which place them in various times and geographic locations in Texas history. They write a paragraph describing the economic system of that time.

Evaluation

1. Students will describe characteristics of each economic system and provide an example of each.
2. Students will prepare a report on one of the economic systems.
3. Students will make a poster showing activities that take place in our economic system.

Extension

1. Stage a debate in which students defend their assigned economic system as the best or most efficient.
2. Create riddles, raps, tongue twisters, or poems about one of the economic systems.
3. Project what types of economic systems will best answer the economic questions in the future or complete the following sentence. "If I founded a colony on the moon would establish an economic system because ..."

Attachment A

How Do I know Anybody Will Buy My Product? (Market survey, Demand, Risk-Taking, and Entrepreneurship)

Activities

1. Elicit responses from the class on different ways to determine in advance whether other children will be likely to buy your product.

2. Show the children how to conduct a market survey to ascertain potential demand.

Example

At the following prices, how many chocolate chip cookies would you be willing to buy on any one day?

Price per cookie	Quantity
$.20	
$.15	
$.10	
$.05	

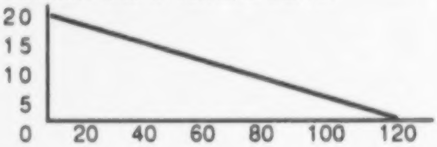
At the following prices, how many peanut butter cookies would you be willing to buy on any one day? (Do the same sort of chart as above.)

After completing the surveys, tabulate the results of the surveys and show the quantity demanded at alternative prices for both items. Use a demand schedule. Example:

Chocolate Chip Cookies

Price per Cookies	Quantity Demanded
$.20	
$.15	
$.10	
$.05	

In a lesson with the children, convert the demand schedule into a Demand Curve:



Next have Judy decide how many cookies she is willing to supply at the alternative prices. Have her compute all costs including time, payment to workers, etc., of producing cookies. Show results of the cost analysis by drawing a supply schedule and supply curve (analogous to demand schedule and demand curve above). Determine price and quantity on the basis of supply and demand. Figure out anticipated profits.

3. Select a particular product in the classroom economy, and ask the children to identify what factors would make them want more or less of the product (e.g., ice cream/cold day and warm day; ice cream/after a pay raise or after taxed; ice cream/after the price of cones has gone down; ice cream/before and after lunch).

4. Select any business that has experienced either dramatic increases or decreases in the demand for its product. Have the owner give a short report on what factors he or she thought caused the increase or decrease (e.g., advertising, tax decrease, change in the price of a related product).

Grade Level: **Fourth**

Concept: **Economic Institutions and Incentive**

Teacher Terms

Households are individuals or family unitswhich, as incentive consumers, buy goodsand services from business firms and, as resource owners, sell productive resources to business firms. Self-interest expressed in many ways, including profit, is the main economic incentive.

Student Terms

Families buy things they want from businesses. To get the money they need to do this, they sell their resources to businesses. It is in their own self interest to do this.

Objectives

The fourth grade student will be able to:

- **recognize how households and businesses receive and spend income.**
- **become familiar with the concept of circular flow.**
- **define profit and understand that it is the goal of business firms.**

Resource Materials

- Magazines and newspapers
- Reference books
- Markers/crayons, chalk, and poster board
- Crossword puzzles
- Toothpicks or Popsicle sticks and glue
- Children in the Marketplace, Grades 3-4, JCEE
- ECON and ME, JCEE

Focus

1. Students will compile a list of goods and services that their parents and neighbors help to provide. Record some on a large bulletin board. Students should then create a list of businesses where parents and neighbors buy goods and services. Place these on the bulletin board as well.

2. Discuss the lists and inform students that they will be learning how all these terms are related.

3. Give students a visual aid to fill in which illustrates the relationships between economic institutions. Include a word bank to assist students.

Modeled and Guided Practice

1. Teacher will introduce key terms, such as household, business, wages, etc., through a lecture. Students can follow lecture and keep track of important information.

2. Students will draw for roles such as Mr. Wages or Ms. Labor. After students understand their roles, they will move outside to a concrete or blacktop area. The teacher will draw a large circular flow chart with chalk. The teacher will explain the exchanges that take place between each element. Students will literally walk back and forth across the large chart, making exchanges based on their roles (e.g., Ms. Labor will walk from the house to business. Mr. Wages will return to from business to the house). Orally quiz students to ensure comprehension (Attachment).

3. Give students a blank copy of a circular flow chart and have them complete it to check for understanding (refer to the Attachment).

Independent Practice

1. Students will recreate the circular flow chart in a creative illustration.

2. Students will demonstrate an understanding of profit as an economic incentive and the difference between revenues and costs by solving word problems (e.g., Alvaro made $10 selling lemonade, but he spent $4.50 for lemons and sugar. What was his profit?).

3. Wildcatters were motivated by the hope of hitting oil and making profits. After researching early Texas oil blowouts, each student could become a wildcatter and construct his/her own oil derrick by using toothpicks or other materials.

4. Students will draw a mural of what they think an oil field looks like. Perhaps a cross section could show where drilling would yield the highest profit.

5. Students will write a story in which they relate the risks involved in owning their own businesses and why they would be willing to take risks.

6. Students will pretend they are reporters. What questions would they ask an entrepreneur?

Evaluation

1. Students will create word problems related to profit and loss and to solve them.

2. Students will chart and discuss economic incentives and risks.

3. Students will identify the types of income that households and business receive.

Extension

1. List several occupations and research average salaries for each.

2. Describe the education or training needed to qualify for a variety of occupations.

3. Invite a local entrepreneur to visit the class.

4. Research various regions of Texas and create a bulletin board or collage of the businesses, goods, and services that come from that particular region.

5. Design an invention which you believe will "sell" to your classmates. Draw the invention and make an advertising campaign to go with it. Each student can present his/her advertisement for the invention. Students will then "purchase" their favorite invention. The inventor will become the "Class Entrepreneur."

6. Develop a role play which illustrates how households receive difference types of income.

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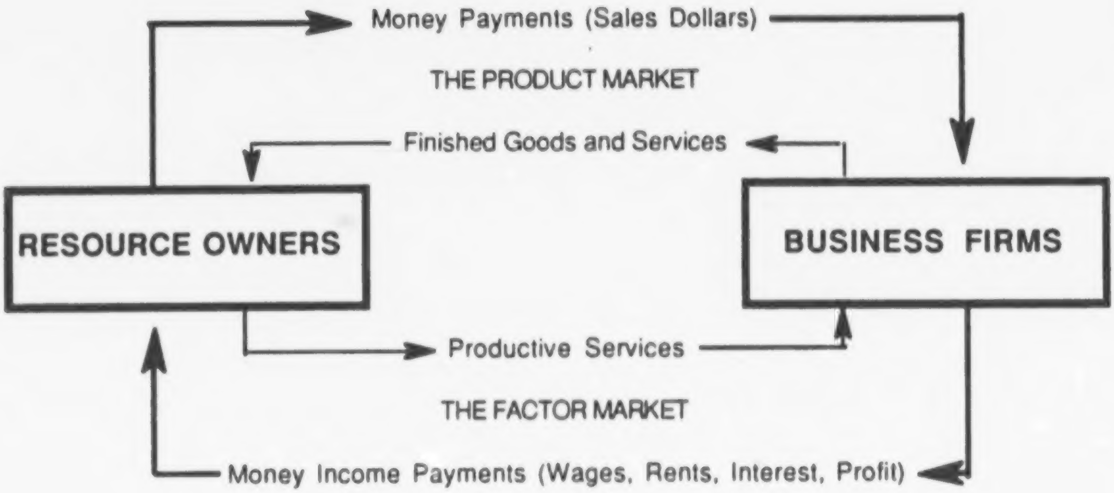
Attachment

CIRCULAR FLOW CHART

The Circular Flow of Resource, Goods, Services, and Money Payments


Money Payments (Sales Dollars)
THE PRODUCT MARKET
Finished Goods and Services
RESOURCE OWNERS
BUSINESS FIRMS
Productive Services
THE FACTOR MARKET
Money Income Payments (Wages, Rents, Interest, Profit)

Grade Level: **Fourth**

Concept: **Supply and Demand**

Teacher Terms

Supply is "the quantity of a resource, good, or service that will be offered for sale at various possible prices during a specific time period, other things equal."

Law of Supply: There is a direct relationship between price and quantity offered for sale, other things equal.

Demand is "the quantity of a product that individuals are willing and able to buy at alternative prices during some time period, other things equal."

Law of Demand: There is an inverse relationship between price and quantity demanded, other things equal.

Student Terms

Supply is what a person is willing to sell at a certain time at various prices.

Sellers will be willing and able to sell more at higher prices and less at lower prices.

Demand is how much of some product people are willing and able to buy at different prices during a specific time period.

People will buy more at lower prices than they will at higher prices.

Objectives

The fourth grade student will be able to: **explain the difference between supply and demand and give examples in a short comparative paragraph.**

Resource Materials

- Several pieces of candy
- Several simple products like notebook paper, rulers, scissors, pens, pencils, markers normally needed by students and their prices
- Paper for skit props ..
- Water colors, brushes, and cups
- Product or Resource Map of Texas (See Absolute and Comparative Advantage, Grade 4).

Focus

1. Hold up a candy bar and tell students that you are willing to sell it for $1.00. Ask those students willing to buy it, and having enough money to do so, to hold up their hands. Record this number and price on the board. Then ask the same question again but change the price to $1.25, and record the results. Ask again but raise the price to $1.50. Record the results. Introduce the term "demand" and lead students to deduce from the data that as the price went up, the demand (the number of people willing to buy at that price) came down. Use Attachment A to draw a demand curve on the board, based on the students' responses.

2. Choose five students and ask how many billfolds they would be willing to make each week for $1.00, $2.00, $3.00, $4.00, $5.00. Record these totals on the board. Use Attachment A to draw a supply curve. Lead students to see that usually people are willing to supply more goods at higher prices.

Use the Supply and Demand Circle (Attachment B) to show this relationship. Stress that the amount of money a consumer pays directly impacts the number of product the supplier is willing to produce.

3. The story of Charles Goodnight (Attachment F) should be duplicated for students, or the story may be read to students, as an actual example of supply and demand taken from Texas history.

Modeled and Guided Practice

1. Identify correct concept of supply or demand by thumbs up (U = supply), thumbs down (D = demand) as teacher gives examples.

canned food in the store	U	clothes	U
boy wanting to mow lawns	D	school supplies	U
cook, looking for work	D	ice cream and cake	D
baseball cards for sale	U	your need for food	D
video games in the store	U	the cars in a car lot	U
candy for sale	U	your allowance	U
new shoes	U		

and any other products and services deemed appropriate by the teacher

2. Participate in a supply/demand simulation.
Simulation Directions:
1) Before Class
   a) Teacher assigns students to cooperative groups.
   b) Teacher runs off Total Sheets, Demand Schedules, and Demand Graphs, for each group (Attachments C-E).
   c) *Teacher may choose to create and pre-assign businesses to students* . (see Simulation (2) Item (a) below for ideas.)
2) Simulation
   a) Small groups will decide on an imaginary student business that they could form. (e.g., homework checking service, selling simple products needed at school like pencils, paper, recovering school texts.)
   b) Student groups will decide on four different prices for their product or service.
   c) Student groups will write four different prices for their products on a Total Sheet (Attachments C).
   e) One student from each group will poll all other students in the room on how much they could actually buy each week or how often they could use the service. This student will record results on Total Sheet.
   f) While demand is being polled, other students in the group will name their business, develop a motto for their business, and create a logo for the business.
   g) When polling and other activities are completed, groups will construct a demand schedule and a demand graph for their business (Attachments D-E).
   h) Teacher will lead class in discussion of graphs and implications.

Independent Practice

1. Explain the difference between supply and demand and give examples in a short comparative paragraph.

2. Groups develop a skit that retells the story of the "Cattle Trails" and the role of Goodnight. At appropriate times during the skit, a group member will hold up SUPPLY or DEMAND signs made by the group (Attachment F).

Evaluation

1. Students will orally explain the role of Charles Goodnight in Texas history and his relationship to supply and demand.

2. Using the teacher model, students will draw, in pencil, a Demand and Supply Circle and add pictures of people and businesses to the diagram (a diagram of Sammy's Salami Shop would include Sammy, salami, and a consumer of the salami). Teacher encourages the use of creative names and products. When sketch is completed and checked for accuracy of the Demand and Supply Circle, students may color with water colors or other media.

Extension

1. Interview the school cafeteria manager or school secretary about their suppliers and their level of demand for different products.

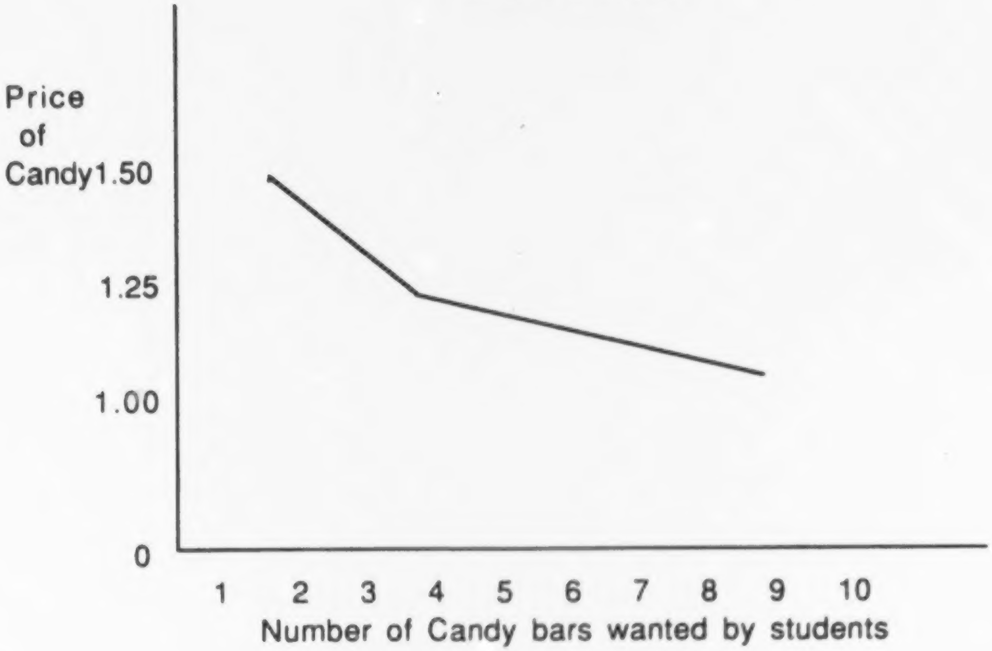
2. Listen to teacher-invited local entrepreneur or business person. Explain how he or she calculates or estimates demand. Before the visit, students will write estimates of the entrepreneur's demand.

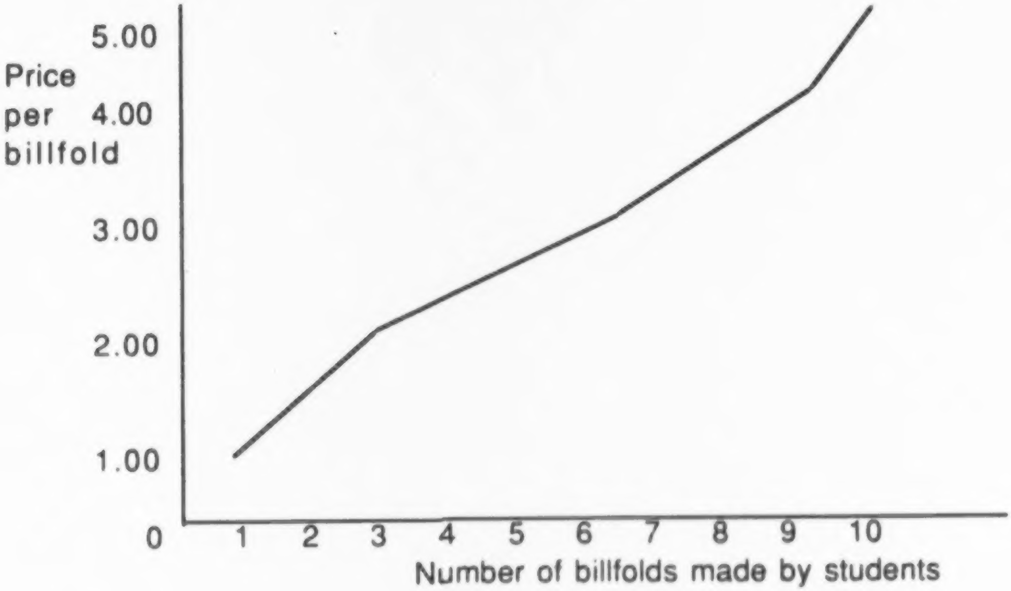
3. Using a Texas Resource and/or Product Map and a Regions of Texas Map, groups draw inferences about what regions might depend on others for which resources and participate in an oral discussion about economic interdependence in Texas (e.g., consumers in the Mountains and Basins Region would depend on Coastal Plain suppliers for seafood). For Product Map, see **Absolute Advantage/Comparative Advantage** section of this Fourth Grade guide.

Additional Resource Materials

1. Prices Go Up, Prices Go Down by David A. Adler
2. The Popcorn Book by Tommy DePaola
3. Gift From a Shop by Alberta and Nicole Eiseman
4. Cowboys by Marie and David Gorsline
5. We Can't Afford It by Sandy and Martin Hintz
6. Little Monsters at Work by Mercer Mayer
7. Farm Animals by Dorothy Patent
8. Our Economy: How it Works by Elmer Clawson, Third Edition, Addison-Wesley Publishing Company, 1988, p. 354
9. Teaching Economics: Content and Strategies by Ronald A. Banaszak and Dennis C. Brennan, Addison-Wesley Publishing Company, 1983, p. 62
10. Master Curriculum Guide in Teaching Economics: A Framework for Teaching the Basic Concepts chaired by Philip Saunders, Second Edition, Joint Council on Economic Education, 1989, p. 10

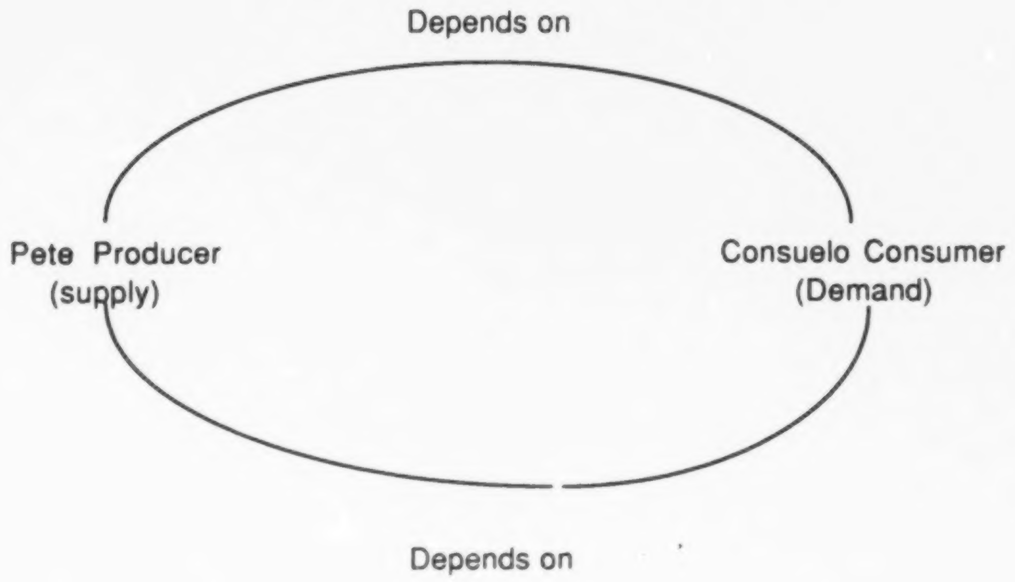
Attachment A


Demand Curve


Supply Curve

Attachment B

Supply and Demand Circle


Depends on
Pete Producer
(supply)
Consuelo Consumer
(Demand)
Depends on

Attachment C

Total Sheet

Name of people in group

____

Our product or service is ______________________________

____

Our price could be	How many would our classmates buy at this price?
$1.00	I
or .50	III
or .20	𝍸 𝍸
or .10	𝍸 𝍸 IIII

Attachment D

Demand Schedule

Name of people in our group ______________________________

____

Our product or service is ______________________________

____

Now transfer the figures from the Total Sheet to this Demand Schedule.

The number of products people said they would buy at each price.

Price	Quantity
$1.00	1
$ .50	3
$ .20	10
$ .10	15

Attachment E

Demand Graph

Name of people in my group ________________________________

____

The product or service we will sell is ________________________

____

A demand graph showing how many we would sell at each price looks like this:

Demand Graph

Price

1.00

.90

.80

.70

.60

.50

.40

.30

.20

.10

0 2 4 6 8 10 12 14 16 18 20

Quantity

D. TEXAS CATTLE TRAILS - CHARLES GOODNIGHT, JR.

Information and quotes from

Davis, Joe Tom. Legendary Texians. Eakin Press, 1982, p. 123-127.

Charles Goodnight "made and lost two fortunes, cut five cattle trails, invented the chuck wagon, founded the J.A. Ranch, created a climate for law and order in the Texas Panhandle, saved the Texas buffalo from extinction, and earned a reputation as the fore-most cattle breeder in the West. . . He [was] voted one of the five original members of the National Cowboy Hall of Fame at Oklahoma City." Goodnight was born in 1836 in Illinois. His father died when he was five years old.

When his mother remarried, the family moved to an area near Waco, Texas, in a covered wagon. Charles rode the 800 miles barebacked on a mare named "Blaze." He began working with horses and stock at age 13 (1849). In 1858, he became a Texas Ranger Scout and was active in the Comanche Indian War. "He had to have a keen sense of direction and never needed a compass; Charles never got lost, either alone or leading. "As a part of Sul Ross' Minute Men, Goodnight participated in Ross' Raid where Cynthia Ann Parker was recaptured. During the Civil War he "joined the Frontier Regiment as an Indian Fighter."

"During the Civil War no beef was sold so the Texas ranges were soon covered with unmarked cattle." [**supply**]

"In the spring of 1866, the 30-year-old Goodnight came up with the idea of driving herds to New Mexico, Colorado, and Wyoming. He had several good reasons for this decision: the mining region had more money; the Indian agencies and Army forts would pay well for beef [**demand**]; and it was good cattle country where he could hold an unsold herd. However, he could not safely take the most direct route to the Northwest through Comanche and Kiowa country; he would instead swing southwest down the old Butterfield Overland Mail route, then turn up the Pecos River to the Rockies, a route twice as long as the direct one to Denver." Because Goodnight invited Oliver Loving into a partnership to accomplish the trail drive, this trail became known as the Goodnight-Loving Trail.

"While preparing for the trail drive, Charles invented the chuck wagon."

Grade Level: **Fourth**

Concept: **Competition**

Teacher Terms

Competition is the situation that exists when multiple sellers have the same product (or a close substitute) for sale in the marketplace. The more sellers the more competitive the market.

Student Terms

Competition is when many people are trying to sell the same or nearly the same product in the same area. More sellers mean more competition.

Objectives

The fourth grade student will be able:	**to explain competition in a market place and compare it to other types of competition.**

Resource Materials

- Cereal boxes and/or ads for competing brands; magazine ads for other competing products
- Food web chart from fourth grade science materials. Overlapping food chains form food webs. A simple example of a food web: Caterpillars eat seeds, and beetles eat seeds. In the same habitat, the two would compete against each other for the same supply of seeds.
- Ideal Teacher Ad (Attachment A)
- Visual Aid displaying criteria for group presentations see evaluation activities, Competition Simulation, before class, Item (b)
- Words to "*Texas Our Texas* " or another familiar song

Focus

Hold up several cereal boxes or cereal ads. Lead students in a brief discussion of their favorites and why they buy certain products. Explain that the cereals are in competition. Define competition.

Modeled and Guided Practice

1. Using magazine ads or the actual products, give examples of competition in markets, e.g., competing automobiles, soft drinks, candy bars, and Florida vs. Texas grapefruit.

2. Ask students to give other examples of product competition.

3. Ask various students to define competition in their own words.

4. Note parallels between competition in markets and competition for fans among sports teams or schools.

5. Distribute "Competition Chart" (Attachment B).

Independent Practice

1. Write brief notes explaining economic competition, giving three examples of economic competition, and citing two parallels in the natural or social world, e.g., cheerleading elections, election to other offices.

2. Participate in a discussion of the merits of competition (quality, better price) and possible pitfalls (misleading advertising, losing money).

3. Draw a picture of two competing products. Write a brief description of the kind of person likely to be a consumer of this product.

4. Find ads for at least two competing products in magazines. List reasons, in writing, why one product is better than the other. Reasons should be based on the content of the ads alone.

5. Write a one-page summary of a trade book dealing with competition.

Evaluation

1. In a written paragraph, students will explain competition in an economic market place and compare it to another type of competition.

2. Students will prepare written questions about employment competition for a teacher-invited guest from an employment agency.

3. Students will participate in a competition simulation.

Competition Simulation

Explanation - Student groups will write competing ads about an ideal teacher. Classroom teacher will pick the best presentations (quality control) for a run-off election by the classroom consumers. Classroom teacher will insure that the number of finalist groups are at least one fewer than the total number of groups.

Before Class

a) Teacher divides students into cooperative groups.
b) Teacher decides on criteria for presentations and puts them on a poster or other visual aid so the students can refer to criteria.
c) Teacher draws Super Teacher Ad on poster or other visual aid (Attachment A).

At the beginning of the simulation

a) Teacher announces a team competition involving a group presentation about an "ideal teacher" that the class will theoretically " hire" by popular vote. Teacher uses sample ad.
b) Teacher notes that he/she will judge best presentations and will be the head judge, but teacher also notes that the whole class will be the final judges of the candidate that is the most nearly ideal teacher.
c) Teacher announces that the overall winning team will earn a prize (bonus points, free homework, or other classroom award)
d) Teacher describes competition in detail. Student groups will be given the task of naming, describing, and advertising an imaginary ideal teacher in a song, rap, or alternative form of oral presentation. This advertisement should include at least three facts about the imaginary teacher that would appeal to students. Teacher may want to give groups ideas about this ideal teacher.
e) Teacher lists other criteria like clarity, creativity.
f) After briefly reviewing probability principles, teacher leads class in predicting the mathematical probability of any one teaching candidate getting hired unanimously by the class.
g) Groups work on candidate advertisements.
h) Each group will present its candidate to the whole class.

i) Teacher picks best candidates for the "consumer" election.

j) Entire class votes on teacher-selected finalists after teacher asks the students to vote for the candidate they really like the best.

k) Candidate with most votes wins.

l) Teacher debriefs, noting parallels between competing for votes and competing for consumers; rewards and profits. Teacher asks students to describe what made them vote for a candidate and what effect the idea of competition within the classroom had on their group work.

m) Winning team gets reward.

Extension

1. After a teacher leads discussion of advertising techniques like exaggeration and band wagon and a review of facts and opinions, student groups will identify advertising techniques used in ads for competing products and identify every phrase as "fact" or "opinion."

2. For homework, students will listen to ads on TV for 15-30 minutes and make a list of clue words that reveal opinions. Students will also list all ads for products during that time period.

3. Students will pretend that their school is in competition with another for an academic prize. Student groups will write a new school song that advertises the school's academic abilities to the tune of "Texas Our Texas" or another familiar song.

Attachment A

IDEAL TEACHER AD

SUPER TEACHER !

ABLE TO LEAP OVER 3 DESKS IN A SINGLE LEAP !

ABLE TO GRADE 23 PAPERS AT ONE TIME !

FORMER QUARTERBACK, DALLAS COWBOYS !

STRAIGHT A STUDENT IN SCHOOL !

Attachment B

Competition Chart

Student Directions: Write the following terms under the appropriate heading.

grocery store sales
a swim meet
art contest
clothing sales
a spelling bee
political elections

A soccer game
gasoline prices
cake decorating contest
car prices
Tic-Tac-Toe game
home sales

Non - Economic Competition	Economic Competition

Grade Level: **Fourth** Concept: **Role of Government**

Teacher Terms

The government pays for the goods and services it produces through taxing and borrowing.

Student Terms

Government must collect money to pay for the goods and services it provides. It can make people pay taxes or it can borrow the money to pay for goods and services.

Objectives

The fourth grade student will be able to: **identify economic roles of the executive and legislative branches of Texas government and identify ways government raises revenues and spends its money.**

Resource Materials

- Markers or crayons
- Reference books on NASA or other government programs that have yielded scientific advancements
- Shoe boxes and tape
- Blank paper and magazines
- Butcher paper (5-7 foot sheet)
- The Elementary Economist, "Taxes and Taxation," Winter, 1988
- Manila paper 12" x 18"

Focus

1. Read the following scenario to the students and ask for their input orally or in writing. Our community needs a new park. The old park has become run-down and dangerous. There are rusty swings, broken merry-go-rounds, and lots of tall weeds and grass. We need a new park, but who will pay for it? How will they get the money? Explain the role of government in providing specific services to the public. Brainstorm more services and jobs that the government provides, such as firemen, police, roads, and airports. Finally, discuss the need for government to raise taxes in order to pay for its projects.

2. Give students magazines and ask them to find pictures of goods and services. On a large piece of manila paper on tag board, they will glue the pictures under one of two headings, "We Buy" or "Our Taxes Buy," to make posters.

3. On each of many 3 x 5 cards students will draw a picture of and label a good or service. When the cards are completed, the teacher holds up the card and lets the students who have been divided into two teams take turns deciding "Who Pays?" Students will determine whether citizens buy the goods and services directly out of their incomes or indirectly with their taxes.

4. Hold a general discussion about taxes. Discuss such items as:
   a. Different ways taxes are collected (e.g., gasoline taxes, sales taxes, income taxes).
   b. How government uses taxes to pay for selected goods and services. Display the words "Our taxes pay for ...." on a bulletin board. Ask students to draw or bring a picture of at least one item that our government usually pays for. Challenge the students to find at least 50 items. Each morning ask for any pictures which have been brought, and ask the class to determine if it is a good or service provided by our government.

Modeled and Guided Practice

1. Show students pictures of airports, military bases, parks, and explain that it is the role of government to provide these things.
2. Divide the class into groups of four or five. Students will brainstorm how many goods and services they can list that are provided by the government. Make a class list.
3. Devise a list of reasons for collecting taxes. Discuss the validity of charging taxes to pay for schools if families don't have children. What are other programs/services that people pay for that they don't necessarily use? (e.g., your family never needs a fireman).

Independent Practice

1. Attach a large piece of butcher paper to the wall. Have students create a mural which depicts scenes of people using government services, such as children playing in parks', airports', firemen and policemen working, or roads being built.
2. Students collect pictures from newspapers or magazines of how government spends its money, and students create a collage.
3. Project the types of goods and services the government will be providing in the 21st century. How will taxes be collected?
4. Complete activity "Boom or Bust" (Attachment A).

Evaluation

1. Students will define the role of government in their own words. They will cite examples of government goods and services.
2. Students will write a persuasive essay, arguing for or against using taxes to pay for public education.
3. Students will conduct a debate on the issue of taxation or role play a Member of Congress explaining a tax increase to his/her constituency.

Extension

1. Using blocks or play money, demonstrate how government raises and spends money. Also, teach the concept of deficit by having students spend more than they take in from taxes. Develop a simulation which illustrates this concept.
2. Research the role of government in scientific advancements: NASA-related inventions, such as Velcro or dehydrated foods, could be used to demonstrate.
3. Research the occupations of government workers. Explore the duties of civil servants in various jobs.
4. Imagine what types of government jobs will be available to people in the year 2020. What types of projects will the government be working on then? New libraries on Mars?
5. Use a world map to locate several nations. Research what goods or services their governments

provide. Compare and contrast other governments to that of the United States, e.g., socialized medicine in various countries etc.

6. Research the history of taxation. Present your findings to the class and supplement your report with an illustration.

Attachment A

Boom or Bust (Taxes)

Because household income is limited, households must choose how much of their income they will use to purchase goods and services privately and how much they will use to purchase collectively through government.

Government finances most of its purchases with income from taxes.

Rationale for Activity: This activity demonstrates that a city government needs money coming in (taxes) to pay for the goods and the services it buys. A game strategy is used to capture the students' attention. The game is rigged so that the city will eventually not be able to pay for its purchases. The object of the game is to see how long the city can continue purchasing goods and services.

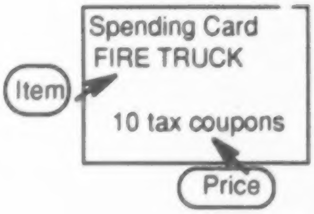
Objectives

1. Students will be able to compute tax (with the rate being one tax coupon per $100 of sales).
2. Students will be able to determine when the city cannot purchase additional goods and services and will be able to say why (e.g., not enough taxes were collected to cover the expenditures).

Materials

1. A set of Spending Cards

Item	Price (in tax coupons)
fire truck	10
pay city workers	10
police car	5
fix bridge	5
paint city hall	3
buy typewriters	2
buy library books	2
buy fire plugs	2
buy stop sign	1
buy handcuffs	1
buy pencil sharpeners	1
buy chalk board	1
buy brooms	1
buy paper	1
paint white lines	1
pay for food in the jail	1
buy fire hose	1
buy salt for the roads	1



2. A set of Income Cards

Sales	Number of Income Cards
$100 $100 $100 $100 $100	2
$100 $100 $100	2
$100 $100	3
$100	10

3. Tax coupons (approximately 15)

Procedure

1. The city has five Tax Coupons in the bank (use a pocket chart or other device to represent the bank).
2. Shuffle each deck of cards (Spending Cards and Income Cards).
3. A student comes up and turns over the first day's Spending Card (the top card in the spending deck). The number of coupons needed to pay the Spending Card should be removed from the bank (e.g., if the handcuff spending card were turned over, one coupon would be removed from the bank).
4. Another student should draw an Income Card. The student then tells how many coupons should be put in the bank. In the case below, it would be two (one Tax Coupon collected for each $100 of sales by businesses).

   $100 SALES
   $100

5. A complete day's transaction has been make (one Spending Card and one Income Card). The net result in this case would be an addition of one Tax Coupon (making six) in the bank. The number I should be posted somewhere to represent that the city has make it through one day.
6. Continue making "daily transactions" until the city runs out of Tax Coupons. The game is rigged so that this will happen (the fire truck and payroll cards do not have equivalent Income Cards). You could reverse the outcome by increasing the amount of some of the Income Cards. The idea would then be to see how much of a surplus the city could accumulate in 10 days, etc.
7. Recap by having the students make some generalizations about the game. What things surprised you about running a city? What kinds of services do cities provide? What other services do you want your city to provide? Why don't cities provide all the services people want?

Grade Level: **Fourth**

Concept: **Unemployment**

Teacher Terms

Unemployment is the number of people without jobs who are actively seeking work. The unemployment rate is the number of people who are unemployed expressed as a percentage of the number of people in the labor force.

Student Terms

People are unemployed if they are trying to get a paying job but don't have one yet.

Objectives

The fourth grade student will be able to: **identify strategies for finding work when unemployed.**

Resource Materials

- Ramona and Her Father by Beverly Cleary
- Paper or small poster board for all students
- Employment want-ads
- Ads for apartment/house rentals and groceries

Focus

1. Read chapter from Ramona and Her Father that discusses Ramona's father's unemployment. Lead students in a discussion of the feelings and emotions of the characters. Define unemployment as when people are trying to get a job but have not been able to get one. Ask students to think of what a person should do if he/she becomes unemployed. Present "Steps for Finding Jobs," including the Texas Employment Commission (brochures from TEC are available upon request). Write and request information from the Texas Employment Commission, TEC Building, Austin, TX 78778-0001.

2. Lead discussion of how a person should get ready for an interview. What good grooming practices should a person be aware of, and how should they behave during an interview (Attahcment A).

3. Write want ads. Ask students to think of any talents or abilities they have. Discuss what kinds of jobs the student would like to have to earn extra money. Do they want to provide a service or sell a product, or manufacture something? Provide each student with tagboard, poster board, or a large sheet of manila paper and markets. Each student should make a poster advertising him/herself for a job or to provide a good or service.

4. Provide enough want ad sections of a local newspaper for each group of three students to have one section. The students will decide what type of jobs are available in your city or town. They should decide what type of job they would like to have and circle all possible choices. They should choose one job, and practice interviewing for that job (Attachment B for interview questions), with one of the group being the personnel director, while the other two try for the same job. One of them will be given the job, while the other will remain unemployed.

Modeled and Guided Practice

1. Make a list of jobs students can do now (e.g., dishwashing, yard mowing, walking a dog, math facts tutoring)
2. Circle jobs they might like to do now on a part-time basis. Fill in possible sources for each of these jobs (specific names of neighbors, etc.).
3. Discuss steps for finding a job (Attachment C).
4. Fill out Employment Application (Attachment D).
5. Orally identify the name of the agency responsible for helping people who are unemployed and state whether or not it is a *city, county, state,* or *national* agency.

Independent Practice

1. Design a neat, balanced poster that gives the steps for finding a job. The poster should emphasize the actions (verbs). Teacher may need to review balance and ways an artist emphasizes a point. Teacher may want to preconstruct a sample poster (Attachment C).

2. Create a Help Wanted ad for an occupation in another period of time, such as a horseshoer or a trail driver in the early Texas frontier.

Evaluation

1. Students will list five steps for finding a job as quickly as possible.
2. Students will define the term "unemployment."
3. Students will name the major source of income for most families.

Extension

1. Brainstorm grooming practices that should be employed before going to an interview. Discuss why good grooming practices are important in the job market and everywhere.

2. After a teacher-led discussion of the simple principles of a good interview (Attachment A), student partners practice interviewing for the job the students applied for earlier in the class. Teacher monitors, selects a few "best" interviewers. These interviewers redo their job interview for entire class. Teacher asks class to point out the good points of the interview and anything that could be improved.

3. Student groups read wan. ads for employment and draw inferences about what kind of person the ads want to hire? How much money can a person make without a college degree?

4. Student groups read ads for apartment rentals, ads for groceries. Compute basic weekly expenses for such goods and services.

5. Draw generalizations from the job application about the importance of education and working hard at all jobs (Attachment D).

Additional Resource Materials

Address for Texas Employment Commission:

Texas Employment Commission
TEC Building
Austin, TX 78778-001

383

Attachment A

GROOMING AND BEHAVIOR AT AN INTERVIEW

Before You Interview

1. Wash Your Hair
2. Bathe
3. Clean your clothes
4. Brush your teeth

At the Interview

1. Smile
2. Speak politely
3. Look at the interviewer
4. Show interest in doing a good job
5. Emphasize your abilities, previous accomplishments

Questions for the "personnel director" to ask interviewers.

1. What is your name?
2. We are looking for a new employee. What can you do?
3. Do you have any special skills or abilities?
4. Why do you feel you qualify for this job?
5. How will hiring you help our company?
6. Where have you worked before?
7. What types of jobs have you had before?
8. What are your goals for the future?

Attachment C

Steps For Finding A Job

1. Make a list of jobs you would like to do
2. From this list, circle jobs you can do
3. Make a list of places where you could perform the jobs you can do
4. Fill out an application at those places
5. Interview for jobs

Attachment D

Employment Application

Name________________ Position Desired____________________

Date of Birth________________ Place of Birth____________________

Education

	Schools Attended	Dates	Graduation Date
1.			
2.			
3.			
4.			
5.			
6.			

Experience

	Name of Employer	Dates	Reason for leaving
1.			
2.			
3.			
4.			
5.			

Job References

1. ____
2. ____
3. ____

Character References

1. ____
2. ____
3. ____

Grade Level: **Fourth**

Concept: **Absolute and Comparative Advantage**

Teacher Terms

When the quantity and quality of productive resources available in different areas (nations, states, regions) varies widely, it will give each a relative advantage or disadvantage in producing different goods and services.

Student Terms

Countries, states, regions (and even companies) have different kinds and amounts of resources. This lets them produce some things better that other things.

Objectives

The fourth grade student will be able to: **identify major economic resources and products of regions of Texas.**

Resource Materials

- Regional Resource/Product Maps of Texas for each student (Attachment A)
- Words to "The 12 days of Christmas" or "She'll Be Coming Around the Mountain"
- Grab bag of Texas resources or their symbols

Focus

Tell students they must complete the following task in the next 15 minutes for a grade. Watercolor regions of Texas map, painting each separate region a different color. Distribute Regions Map. Lead students into pointing out that they don't have the supplies to complete the project. (If the classroom has watercolor resources available, the teacher can think up any other similar activity where the students are given a task that they cannot complete without additional resources. Example: Make up a song about the regions of Texas. Sing the song to musical accompaniment like a tambourine or triangle.) Explain that students in the art room, if given the same assignment, would have the advantage because students in the art room have the resources to complete the project. Point out that some regions of Texas have more resources than others. For example, the Coastal Plain has more fishing resources than the Mountains and Basins Region. Help students understand what people in the northern part of the Great Plains have to do if they want to buy seafood. Briefly review the concept of interdependence Distribute Regional Resource/Product Maps of Texas. Ask students various questions about key and map to insure understanding of map (Attachment A).

Modeled and Guided Practice

1. Students or groups make quick lists of all the products or resources of all regions, one region at a time.
2. Compare regions and come up with resources or products that some regions don't have.
3. Explain how the region that doesn't have a resource can get the needed resource, and identify the concept involved.
4. Draw conclusions about how interdependence works in families and in schools. (Teachers depend on students to do their work; students depend on teachers to grade their work.)

Independent Practice

1. Student groups write a Texas version of "The 12 days of Christmas" using Texas products and/or resources. An alternative song is "She'll Be Coming Round the Mountain."

2. Students draw a poster illustrating eight Texas products and/or resources.

3. Students write a book review using a trade book that discusses Texas Resources (Attachment B).

Evaluation

1. Students will write a tongue twister on a Texas resource. (e.g., Franco finally found fine fruit from Fredericksburg.)

2. Students will use the encyclopedia and other library resources to write a report on a specific resource and/or product of Texas like rice, sugar cane, or oil.

3. Students will create a story about how using comparative advantage benefits Texans.

Extension

1. Participate in a small group discussion of the following questions. What would happen if people in the Coastal Plains refused to sell fish to the people in the Mountains and Basins? What, if anything, should be done to make sure this doesn't happen? Why?

2. Name simple machines that can give people advantages over people that do not have them and list the advantages. E.g., Levers save people time and effort.

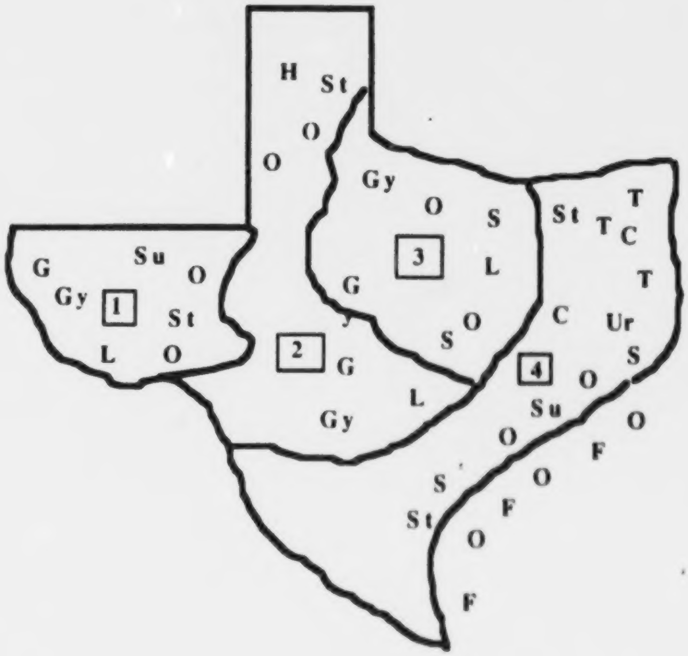
3. Participate in a class discussion about the advantages of hard work and intelligence. Teachers can give examples like Arsenio Hall who came from a disadvantaged background but worked hard to overcome barriers.

4. Prepare questions for and listen to an invited guest who has overcome disadvantages.

5. When shown an item from a grab bag, name the product or resource and the region it would come from. (Teacher could prepare a grab bag of regional products or their symbols. E.g., sand, Coastal Plain; grapefruit, Valley; pine cone, Coastal Plain; can of oil or any petrochemical product, Coastal Plains, Central Plains, Mountains and Basins, and Great Plains.

Attachment A

Regional Resource/Product Maps of Texas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Key

The Dallas Morning News (1989) 1990-1991 Texas Almanac, p. 547-558. Initials are placed at approximate location of counties listed in the Almanac that have major useful reserves of the resource. The map does not indicate every known location of a resource.

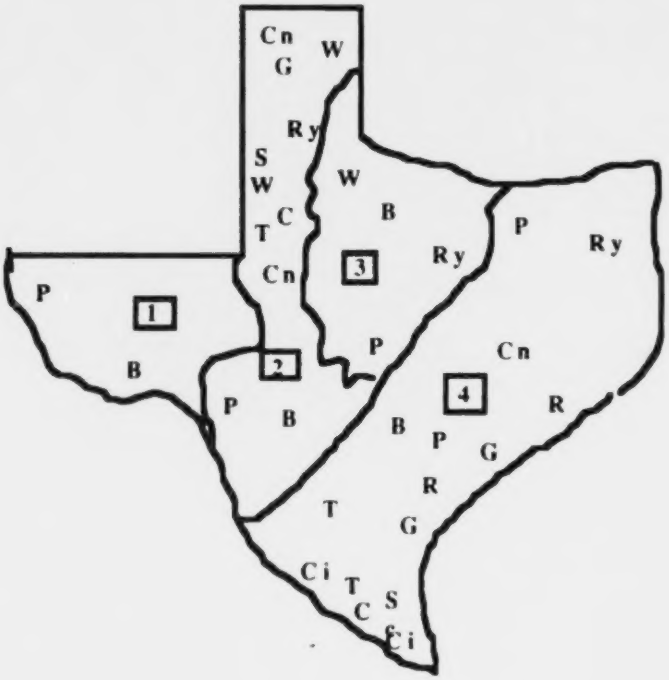
Regions

1 - Mountains and Basins
2 - Great Plains
3 - Central Plains
4 - Coastal Plains

Resources

C - Lignite Coal
F - Seafood
G - Granite
Gy - Gypsum
H - Helium
L - Limestone
O - Oil
S - Industrial Sand
St - Salt
Su - Sulpher
T - Forests
Ur - Uranium

Some Texas Agricultural Products



Key

Data taken from: The Dallas Morning News (1989) **1990-1991 Texas Almanac**, p. 476-482. Initials are placed at approximate area location of counties listed in the **Almanac** that are major producers. The map does not indicate every known location of production.

Regions

1 -	Mountains and Basins	3 -	Central Plains
2 -	Great Plains	4 -	Coastal Plains

Products

B -	Beef Cattle	R -	Rice
C -	Cotton	Ry -	Rye
Ci -	Citrus	S -	Sugar Beets
Cn -	Corn	Sc -	Sugar Cane
G -	Grain Sorghum	T -	Truck
P -	Pecan	W -	Wheat

Attachment B

Children's trade books which may be used to supplement this lesson include :

Stockyards by Rod and Cheryl W. Bellville
Oil and Natural Gas by Betsy H. Craft
Farming by Dennis Fraden
Story of Rice by Leonard Kenworthy
Oil by Barbara Lowry
Wheat (Farming, factors of production) by Franklin Watts
What's Happening to the Climate? (Climate's effect on production) by Malcolm Weiss
Farm Machines by Nicholas Wykeham

Grade 5

Grade Level: **Fifth**

Concept: **Opportunity Cost and Trade-Offs**

Teacher Terms	Student Terms
If productive resources are used to produce a specific good or service, the opportunity cost is the other goods and services that could have been produced with the same resource had the first good or service not been produced.	**If resources are used to produce a particular good or a service, being unable to produce the next most valued alternative is the opportunity cost of the good that is produced.**
Choices usually involve trade-offs where you get more of one thing in exchange for less of something else.	**To get more of one thing you must usually give up something else.**

Objectives

The fifth grade student will be able: **to explain the cost of using economic resources and explain the changes in workplace.**

Resource Materials

- Econ and Me (JCEE)
- Trade-Offs (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)
- Children in the Marketplace (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- The Elementary Economist, Vol. 1, No. 2 (JCEE)

Focus

1. Announce to the students that they have an opportunity to win $100 in a lucky drawing today. Provide a shopping list with pictures of $100 items taken from magazines or catalogs. Include such choices as a shopping spree for new clothes, a new bicycle, the newest in tennis shoes, a Nintendo, 10 cassettes of the latest albums, four Nintendo games, Astroworld for four, or pizza for 30. On a piece of paper that has been folded in half, allow students to write down the two items they would like to have (one on each half of the folded paper). Pass out $100 in play money to each student. Now announce to the students that they must narrow their choices again. They will be allowed to purchase only one item. Tear the folded piece of paper in half and discard the one that represents the opportunity cost of the desired item.

2. Vary the activity above allowing only $10 per student. This could be compared to an occasional special treat or money that the student has earned. Point out that each may choose any combination of the following items. Encourage each student to use this money to derive the greatest personal satisfaction. Remind students that saving money is an option. The giving up of one option in exchange for a little more of something else is the trade-off. Possible items for selection could be:

Movie:	$ 3	Popcorn & cola:	$ 3
Pizza:	3	Astros ball game:	6
Bowling:	3	Rent a movie:	3
Skating:	2	Baseball cards:	2
Hair clip:	2	Gum or candy:	1

Modeled and Guided Practice

1. Use an overhead transparency (Attachment A) for definitions of opportunity cost and trade-offs.

2. Give several examples, such as, "We have 15 free minutes today. How do you want to use your 15 minutes? Would you rather have free play or would you rather use this time to finish your homework so you don't have to take all your books home?" Or state, "As a treat or reward for your good behavior this week, you may have gum or a lollipop!" Let each child choose.

3. Complete the worksheet (Attachment B) on making decisions, tally the choices, and discuss the opportunity cost of each decision.

4. Read and discuss the poem, "The Forester" (Attachment C). Identify the problems in the poem. List the many uses of trees. Rate the usefulness of these items by using the following scale: (1) very necessary, (2) somewhat necessary, (3) not necessary.

5. Using an overhead transparency, guide the class in preparing a budget of a student's allowance of $15. Some categories of spending to consider are savings, school lunches, entertainment, and miscellaneous. Allow the class to decide on the general categories and then have them list specific items on which to spend the money. Also allow the class to decide on the dollar amount for each specific item. Point out that Income = Expense + Savings. Discuss the trade-offs in the budgetary process. Encourage the students to be realistic, to budget some money in each category, and to consider what the consequences are of overspending.

Independent Practice

1. Give five examples of opportunity cost and trade-offs on an individual level and a family level.

2. Using a semantic webbing, have students place themselves in the middle of the web. Have them illustrate how they would spend a "perfect day off from school." Put time allotments with each illustration. Assume the day starts at 8 a.m. and ends at 10 p.m. Schedule time for chores, eating, and fun (Attachment D).

3. Announce that the student has been asked to assist the school district in making plans for the school for the next school year. The task is to make suggestions for additional faculty and staff on campus. An additional $100,000 for salaries for new faculty and staff will be allotted to the school. With this money he/she may suggest any combination of the following:

Administrator	$36,000
Teacher	$18,000
Aide	$ 9,000
Cafeteria worker	$ 6,000
Custodian	$ 6,000

Evaluation

1. Students will restate the definitions of opportunity cost and trade-offs.

2. Students will identify the opportunity cost in several given situations (Attachment E).

3. The student will write a paragraph explaining the opportunity cost or trade-offs in a recent personal decision.

4. Given $10 to spend on an item, the student will list the positive and negative qualities of the item bought as compared to the next best item that was given up.

Extension

1. Rewrite The Three Little Pigs to illustrate the concepts of opportunity cost and trade-offs.

2. Referring to one's activities on a $15 allowance, write a persuasive letter to a parent supporting the spending decisions made in order to receive the greatest possible personal satisfaction from the available money.

3. Brainstorm a list of trade-offs of social goals that were probably considered when laws were made in these areas of consumer protection: mandatory seat belts, stiffer penalties for DWI offenders, mandatory motorcycle helmets, smaller cars for better gasoline mileage, or approved infant seats for cars.

4. Make three different career selections to examine the opportunity costs involved in choosing a career. Make a detailed list of the answers to the following questions and then create a chart to compare the relative aspects of the three careers.
   - Would I enjoy the work?
   - What skills and abilities would I need?
   - What level of education is required?
   - What are the working conditions of the job?
   - Are there opportunities to serve others?
   - Are there many jobs available with this choice?
   - Would I have to relocate?
   - What are the opportunities for advancement?
   - What are the extra benefits with this job?
   - How well does this job pay?

5. Prepare a list of 10 questions that could be used in an interview with a business person to learn about economic decisions and opportunity costs and trade-offs (Attachment F). Use open-ended questions, do not allow simple "yes" or "no" questions. Students may wish to use their questions in an actual interview, or the class may be divided into pairs to roleplay an interview between a student and a business person. The interview may be written in correct dialogue form.

Opportunity costs - the highest valued alternative that must be foregone because another option is chosen.

Trade-offs - choosing less of one thing in order to get more of something else.

Attachment B

MAKING DECISIONS

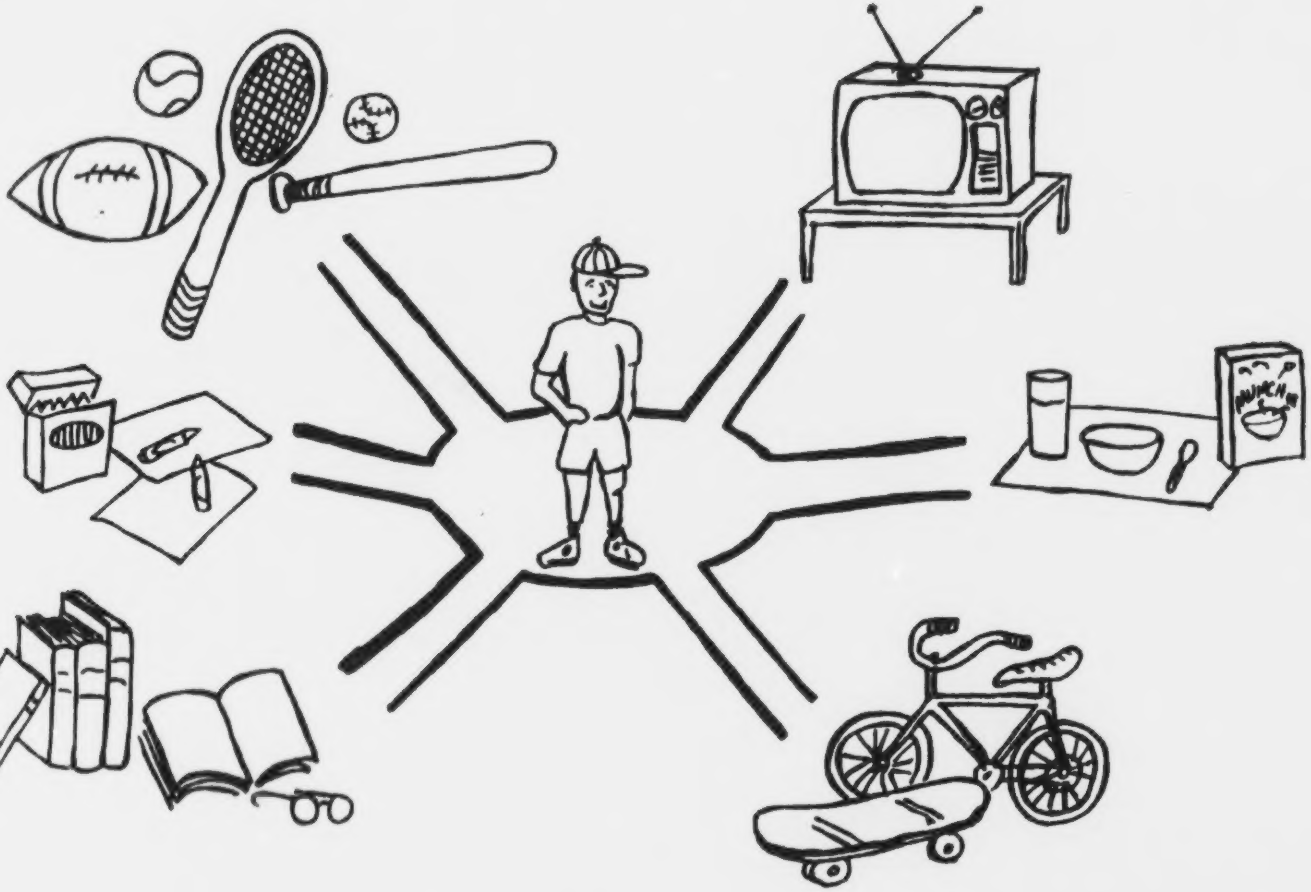
DECISIONS Underline your decision.	**OPPORTUNITY COST** Write your opportunity cost.
Play softball/football Watch TV	
Put allowance in savings Buy a new game	
Do homework Ride a bike	
Read a good book Mow the lawn	
Go shopping Visit a friend	
Earn $5 Go skating	
Draw for bonus points Get free homework coupon	
Go to Astroworld Go to Waterworld	
Visit the Capitol in Austin Visit the Alamo in San Antonio	
Eat a pizza Go to a movie	

The Forester

I can't decide what to do with these trees.
So many things are made from trees.
They help make houses, furniture, toys.
We hit drums hard with sticks for noise.
Trees help us in school, for trees help make pencils,
paper and books.
Things made from trees are found wherever one looks.
It takes time to grow trees, sometimes many years.
We must make wise use of our trees, I fear.
You might want to think of their many uses.
I must admit, I make no excuses,
That I'm confused as to what I'd choose
As to how to decide how my trees should be used.

From *Strategies for Teaching Home Economics, Part II,* © National Council on Economic Education, New York, NY. Used with permisssion.

Attachment D



Attachment E

OPPORTUNITY COST

For the following situations, write a sentence showing the opportunity cost. Use an "If ______________ then ______________ is the opportunity cost" format.

1. Jacob can use his hours after school to practice tennis or work part-time at a fast food restaurant.

2. A local company can process its peanuts to obtain cocktail peanuts, peanut oil, or peanut butter.

3. Rachel can spend part of her allowance to buy a new compact disc or a new skirt.

4. You can go to Water World, the zoo, or to the game room.

5. Earl can mow lawns Saturday or go on a Boy Scout hike.

6. The Chamber of Commerce can request a recreational park or an industrial park.

7. Ms. Olsen can freeze her peaches or cook peach cobblers.

8. Canada can sell its wheat to other nations or store it for future use.

9. Dick can put his money in a mutual fund or he can deposit it in the credit union.

10. Marcy can wash her car or go to the museum.

Attachment F

POSSIBLE INTERVIEW QUESTIONS

1. Are some of the decisions you make based on economic considerations?
2. If so, do trade-offs or opportunity cost affect these decisions?
3. What was the last economic decision you made?
4. What was the basis of this decision?
5. What factors aided you in this decision?
6. What "opportunity cost" or "trade-off" was involved?
7. Are you happy with your decision?
8. Given the same situation, would you make the same decision again?
9. Do you like making economic decisions? Why?
10. Would you consider being an advisor to help others with their economic decisions?

Grade Level: **Fifth**

Concept: **Productivity and Specialization**

Teacher Terms

Specialization results in an increase in the level of production and a reduction of the economic cost of production.

Student Terms

Specialization causes the quantity of goods and services to increase while costs decrease.

Objectives

The fifth grade student will be able:	**to recognize how productivity has changed over time through specialization.**

Resource Materials

- Econ and Me (JCEE)
- Trade-Offs (JCEE)
- In the Marketplace, Level C (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- The Elementary Economist, Vol. 3, No. 2 (JCEE)

Focus:

1. Make two groups of signs with different job titles, representing two kinds of restaurants. One group of signs will include the following job titles: Cashier, Maitre d', Waiter/Waitress (two signs), Chef, Cook, Bus Persons (two signs), Dishwasher, Janitor. Give 10 students a sign and have them stand in front of the class. They are part of one business establishment.

   Make two signs -- one with the words Owner, Cashier, Maitre d', Janitor, Waiter/Waitress on it and the other with the words Cook, Dishwasher, Kitchen Staff on it. Bring two students to the front to represent this business establishment.

   Discuss the differences and similarities between the two restaurants and use economic terms about productivity in the discussion.

2. Let students, working in groups of three cut-out, color, and paste some pre-drawn shapes of an object such as a jack-o-lantern. Provide them with only one pair of scissors per group, one crayon, and one jar of paste. Each one must do his own work. Count the number of steps completed after three minutes of work.

   Divide the groups into specialized workers. One person cuts, one person colors, one person pastes. Repeat the process and count the number of items completed in the same amount of time. Specialization should have increased their productivity.

Modeled and Guided Practice

1. Set up an assembly line in the classroom making a Hot Dog Picnic Lunch. Materials: hot dog weiners, buns, chips, relish, mustard, catsup, hot dog wrappers, plastic bag for chips, napkins, and a sack or container for 10 students. Place 10 students on the hot dog assembly line, giving each one a different job.

At another table place all of the products needed for the hot dog lunch and line up 10 students one behind the other. Set a timer for 15-20 minutes and begin the action. When the time is up, gather data using cause/effect and comparison/contrast about the pros and cons of an assembly line vs. individual performance. In the data gathering make sure to include specialization and division of labor concepts. Use the questionnaire after discussion (Attachment).

2. Have students tell what jobs their family members do at home. Discuss how each one specializes in some task. How does this make the family more productive?

Independent Practice

1. Choose a simple product that can be constructed using the assembly line approach. Write directions, make a pattern, set up stations, and assign students to particular jobs. Product examples: bookmarks, hats, paper airplanes, seasonal decorations, food products, and other craft items.

2. Using examples from the Industrial Revolution, make a chart of inventors, inventions, tools, and products that helped change the way people worked, using the following guide.

	Inventor	Invention	Tools	Product
1.				
2.				
3.				
4.				

3. Using your family, give examples of division of labor and/or assembly line when cleaning the house, working in the yard, decorating the Christmas tree, planning a birthday party, packing and moving, getting ready for a family reunion, and going on a trip. Choose two activities.

Evaluation

1. Students will use the terminology of productivity, specialization, and division of labor in a sentence and give examples of each.

2. Students will write a paragraph about a classroom activity that illustrates the concepts of the assembly line and division of labor.

3. After the hot dog activity in Guided Practice students will write a letter to the principal (or some other adult) illustrating the concept of assembly line vs. an individual operation. Look in your notes for statistics, comparisons, cause/effect, and be sure to include some of these in your letter.

Extension

1. Visit a restaurant, business, or factory and find examples of division of labor in these places of employment. List the advantages and disadvantages of specialization or division of labor in these places.

2. Research and report an assembly line approach in the manufacture of automobiles, clothing, food products, and home building construction.

3. Do a cost analysis by comparing a one-person operation in the production of a product to the same product mass produced in a factory, e.g., a piece of furniture or clothing that was handmade vs. machine-made and store-bought.

Attachment

Observation Summary

Provide the information requested in the chart based upon your observation of worker productivity.

Observation	Assembly Line Workers	Individual Workers
Advantages of Job/Work		
Disadvantages of Job/Work		
Problems Encountered		
Amount Produced		

Describe the role of cooperation in assembly line production.

Relate the specialization or division of labor (job assignment) to the level of productivity.

Grade Level: **Fifth**

Concept: **Money and Exchange**

Teacher Terms

Money is anything that acts as a medium of exchange, a unit of account, and a store of value. Our basic money supply consists of coins, paper currency, and checkable deposits in banks and other financial institutions, which act as intermediaries between savers and borrowers and provide services to both groups.

Student Terms

A barter exchange requires that each person must want what the other person has to trade. Using money eliminates this requirement. Money is easy to carry, store, and divide. A money price makes it easier to compare the value of things. For money we use coins, paper currency, and bank deposits. Banks and other such businesses provide a safe place for savers to keep their money and a place where others can borrow money.

Objectives

The fifth grade student will be able: **to describe how the use of money contributes to the economic wealth and interdependence of the American people.**

Resource Materials

- Trade-Offs, Video or Filmstrips (JCEE)
- Econ and Me, Video Series (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)
- MCG Using Economics in Social Studies Methods Courses (JCEE)
- Children in the Marketplace (JCEE)
- Exploring the Community Marketplace (JCEE)
- Cobblestone, September 1985
- Cobblestone, March 1987

Focus

1. Label pieces of green paper with dollar amounts and place them in a basket. Have each student write down three items from his/her wish list for his/her birthday. If the student is selecting from a catalog source, have him/her write the exact price next to the item. If not, let the student make a realistic estimate. Let each student draw from the basket. Discuss who has enough money on the slip of paper to purchase everything on the list? (Money is payment for goods.)

2. Hand out selected items such as toy cars, dolls, hair brushes to a group of students. (Make sure that some students receive items that are not appropriate for them or are items they would not likely want.) Ask students to try to trade the item that they have, which they may not want, to someone else who has an item that they do want. Introduce play money into the process. Let the students try to buy the items that they want that someone else has. Lead them to conclude that money makes trading easier.

Modeled and Guided Practice

1. Brainstorm ways of purchasing goods and services other than with money.

2. Read each of the following statements and decide whether it best describes a money exchange system or a barter system. Vote Thumbs Up for money and Thumbs Down for barter.

   _____ A turkey is worth two chickens or four cases of nails. (Barter)
   _____ Storekeepers use price scanners. (Money)
   _____ Ladies use purses; men use billfolds. (Money)
   _____ Buying things takes a lot of time for working parents. (Money)
   _____ You can earn a living giving haircuts. (Money)
   _____ Merchants can price an item before seeing the buyer. (Money)
   _____ If you wanted to trade a sack of feed, you would have carry it with you. (Barter)

3. Arrange students in groups of three or four. Pass out one page of a catalog to each student. Have each student cut out a specific gift item and barter within the group. Discuss the problems associated with bartering.

4. In the general store of a make-believe early American village called Cottoncrop, everything has many different prices, depending on the item to be traded for it. For example: one cow may be worth five pigs; one chicken may be worth one sack of grain; or one pig may be worth 10 chickens and four sacks of grain. Make a list of other items and their different values that could be traded in Cottoncrop.

5. Saving money allows people the opportunity to spend it at a later date. Discuss reasons why people save. Give personal and family examples. Give business examples. Explain the old saying, "Saving for a rainy day." Have the students bring different containers used in their homes for saving money (piggy banks, coffee cans, sugar bowl). Display the containers, and encourage savings.

6. Distribute, color, and discuss the attachment showing different mediums of exchange.

Independent Practice

1. Given the following three situations, discover and state the problem in bartering. Also give suggestions for solving the problems.

   Chris had a television and wants to trade it for a horse. Maria has a horse but doesn't want to trade for Chris' television. Derrick wants Chris' television but doesn't have a horse to trade for it. (difficulty in finding a trade; someone wants yours but you don't want theirs)

   At the beginning of recess LaTonya went around school to find someone with a poster to trade for her magic markers. She found several people with posters but none who wanted her markers in exchange. Finally at the end of recess she found someone who wanted to trade with her. She had no time left to play! (entire amount of time spent looking for a trade)

   Anna wants an autographed picture of the football team. Jose has one but he doesn't want to trade for anything Anna has. He wants a basketball. So Anna trades her new hair bows for Melissa's crayon case, the crayon case for Ed's Batman car, and the Batman car for Desmond's basketball. Now she can trade with Jose. (bartering through a chain)

2. Look in the encyclopedia for the history of U.S. currency. Make a timeline showing when the United States began using the common forms of currency. Name all forms of U.S. currency. Note the picture or illustration on each denomination.

3. Name 10 places and/or locations where a family could put money that has been saved.

4. Find three cartoons or draw an original one illustrating some concept of money.

Evaluation

1. Students will write a definition of money.

2. Students will name and/or draw a picture of three mediums of exchange used earlier in history, then describe briefly.

3. Students will write a letter to Alexander Hamilton explaining to him why you like today's money system better than yesterday's bartering system. What do you think his reply would be?

4. Students will write a response to the following: A dairy farmer wants to save money for his five-year-old son's college education. Why is he better off selling his milk for money and saving the money than he would be if he saved the milk to exchange for his son's tuition when he is 18?

5. Students will pretend to be opening a new business. Trying to decide which bank to use, the student will list the services that he/she would like to see offered.

Extension

1. Compare the value of U.S. currency to three forms of foreign currency. Give the exchange rate.

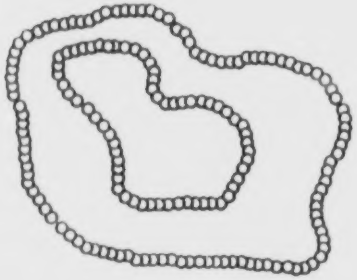
2. Check out from the library media center a book on coin collecting. Share information on collecting coins. Find out which coins are valuable, which ones are hard to find, and where you can sell valuable coins.

3. Have students do research on one or more of the following questions. What is a bank check? What are bank checks used for? Why would anyone want to use bank checks?

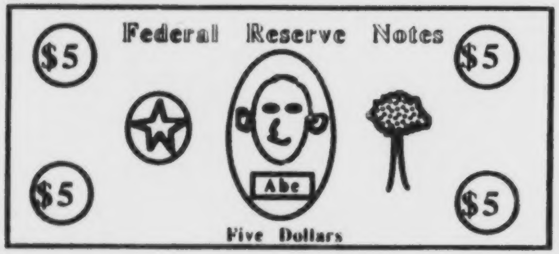
4. Invite a local bank officer as a guest speaker to your classroom.

5. Take a field trip to a local bank. Interview the employees about the particular services they are providing for the community.

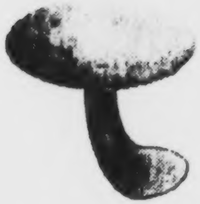
MEDIUMS OF EXCHANGE



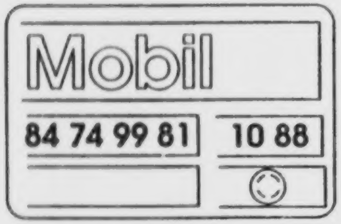
Wampum Beads,
American Indian


$5
Federal Reserve Notes
$5
Abe
$5
$5
Five Dollars

American Money



Mushrooms from France


Mobil
84 74 99 81
10 88

Credit Card

Grade Level: **Fifth**

Concept: **Market System**

Teacher Terms

The U.S. economy is based upon a system of markets where prices of goods are determined largely by supply and demand.

Student Terms

Prices for most goods and services in the United States are determined by buyers and sellers making exchanges in the marketplace.

Objectives

The fifth grade student will be able: **to describe and interpret the exchange between buyers and sellers.**

Resource Materials

- MCG Teaching Strategies, Intermediate Level (JCEE)
- MCG Using Economics In Social Studies Methods Courses (JCEE)
- Children in the Marketplace (JCEE)
- Exploring the Community Marketplace (JCEE)
- In the Marketplace, Level C (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- Cobblestone, March 1984

Focus

1. Play a classroom version of "The Price Is Right." Show pictures of different items available in today's market. Use variety of goods such as luggage, jeans, typewriters, jewelry, milk, cruises, cars, towels, etc. Let students write down their estimates of the cost of each item. Then give the actual price of the item. Have the students mark (+) for overestimating the item, (-) for underestimating and (x) for very accurate. Discuss the concept that most goods and services have a price at which they can be sold. Ask if the students would buy the item at that price? Lower? Higher? Point out that so long as people are willing to pay the price of the product, the maker will continue to make it.

2. Pass out cards to each student that represent the values of 25¢, $1 and $5. Let each child vote on the price of an item by holding up the appropriate card. Some items to consider voting on are a pencil, a pack of gum, a loaf of bread, a birthday gift, a newspaper, a pack of baseball cards, three pairs of socks, a large ice cream bar, etc. Discuss the items, the prices, who wants to buy them, who produces them, and some factors of production of the items.

Modeled and Guided Practice

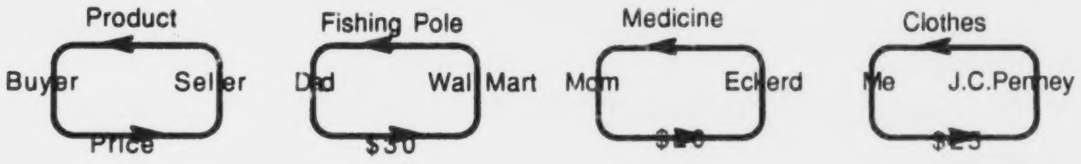
1. Have a Trading Party at school. Have every student bring one item from home to trade. Identify reasons why people trade. Discuss people's wants, values, skills, and levels of satisfaction.

2. Brainstorm and discuss our participation in our economic system for the past 24 hours. Buying groceries, preparing supper, washing clothes, drying hair, riding the bus, traveling on a road, writing with a pencil, turning on the lights are all examples of activities that have evolved from our American market system.

3. Complete the worksheet on voluntary and involuntary exchange (Attachment A). After a class discussion, have the students come to some conclusions, such as did each party engage in the transaction freely and is each party better off after the exchange than before.

4. Make a list of different kinds of marketplaces. Possible answers are garage sales, flea markets, farmer's markets, catalog sales, school cafeterias, doctor's offices, mail-order houses, etc. Make a list of more abstract markets such as job markets, real estate markets, money markets, stock markets, oil markets, and gold markets.

5. Using a transparency (Attachment B), introduce the flow chart to illustrate a buyer and seller making an exchange of a good or service for a price.



Independent Practice

1. Select several products and compare their prices in various locations or sources. Newspapers, catalogs, circulars, marquees, ads, or actual observation may be used. Transfer this information onto graph or chart form.

2. Make a list of the most popular items available at market at this time. Include their prices. Make predictions on their future popularity, cost, and availability.

3. Create a collage of pictures from magazines showing examples of marketplaces or people making exchanges.

4. Make a chart to compare the following:
    a. 10 products that are no longer available on the current market
    b. 10 products that were not available on the market 10 years ago
    c. 10 products that may be available 50 years from now

Evaluation

1. Students will write a narrative that describes a situation in which the main character makes a trade or an exchange.

2. Students will state the difference between voluntary and involuntary exchange by giving several examples.

3. Students will write three sentences explaining why people trade.

4. Students will name five items and give the approximate price of these items. State who would buy them and who would sell them.

Extension

1. Rewrite a familiar children's story that refers to markets or trading, such as Old Mother Hubbard or Alexander Who Used to be Rich Last Sunday. Give the markets names and give the items to be exchanged a price comparable to today's prices.

2. Propose a product for the future, draw an illustration of the product, and create a commercial jingle for it.

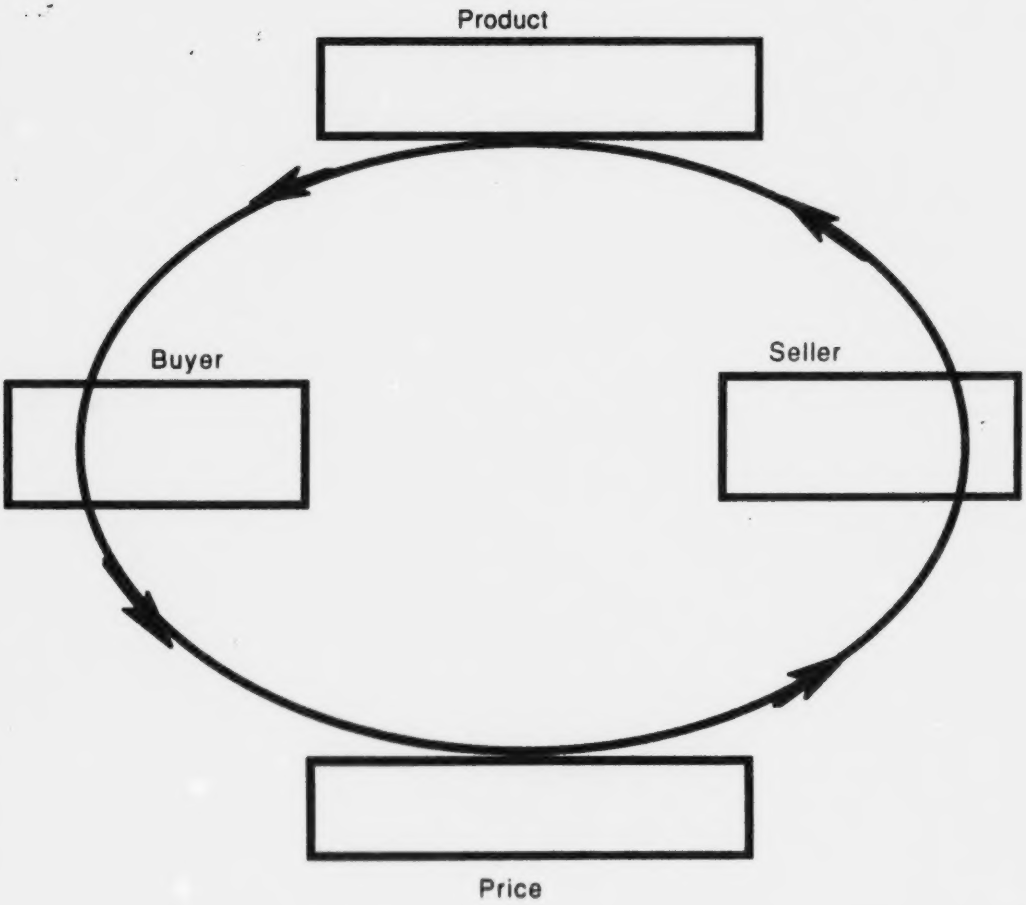
3. Write a daily entry for a page in the diary of a pioneer. Compare the life of yesterday without the modern goods and services to life today.

Attachment A

VOLUNTARY AND INVOLUNTARY EXCHANGE

1. At lunch, Joey sneaks one of Danny's French fries. When Joey is not looking, Danny takes his cookie.
2. Carlos mows Mr. Rodriguez's lawn for $8 a week.
3. Suzanne agrees to feed Bill's dogs when he is on vacation if he will feed her cats when she is on vacation.
4. Bennie offers to wash Helen's scooter if Helen will bake him a cake.
5. Mrs. Gonzales will tutor Joan in Spanish for one hour if Joan will babysit with Jamie Gonzales for three hours.
6. Mr. Woods is forced to give up his wallet at gun-point; as a result of doing so quietly and quickly, he is not harmed.
7. Andrew cleans up the sporting goods shop in return for lessons from the tennis professional.
8. Clark trades 10 pounds of tomatoes from his garden for seven pounds of corn from Wendy's garden.
9. Sally broke Mr. Perry's window with her grand slam homerun in a softball game. Mr. Perry told her she would have to pay for it or he would tell her parents.
10. Delisa finds Shalonda's pencil on the floor and keeps it.

Attachment B


Product
Buyer
Seller
Price

Grade Level: **Fifth**

Concept: **Economic Institutions and Incentives**

Teacher Terms

Households and businesses are the basic economic institutions in a market economy. Households are the consumers of goods and services and the providers of resources. Businesses are the producers of goods and services and the employer of resources. Self interest is the basic incentive of both households and businesses.

Student Terms

Households or families are consumers when they buy goods and services for their own use. They earn money for this by selling the resources that they own. Businesses are organizations which try to earn money by using resources to produce goods and services which they can sell at a profit.

Objectives

The fifth grade student will be able: **to explain the roles of businesses and households in our economy.**

Resource Materials

- Trade-Offs, video or filmstrip (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- Cobblestone, November 1987, September 1988, April 1990

Focus

To introduce the concept of the circular flow between households and businesses and the concept of profit, simulate this activity called Money In Money Out (MIMO) (Attachment A).

a. Divide the class into two groups. Distribute to one group hats or headbands that represent various businesses or firms in the community. Distribute hats to the second group that represent workers in these businesses.

b. Let the students pantomime going to their respective jobs and working for a period of time.

c. The company then pays the worker for his/her work. (Determine ahead of time the amount of money the company starts out with, the salary of the employee and the price of an average purchase at that business. Pass out play money, strips of green construction paper, or pinto beans to represent the salary.)

d. Workers spend some of their money at the businesses in a realistic manner.

e. Repeat the process several times and begin to notice that money flows back and forth between business and workers.

f. Point out that all businesses and workers need an incentive (they need to be paid) for what they do.

Modeled and Guided Practice

1. Learning about businesses and households.
   a. Name and discuss 10 places of employment in the community that pay wages and salaries.

   b. List different levels of jobs available in those places of employment. Estimate realistically the level of salary associated with these jobs.
   c. Arrange in order of importance the five places where your family spends most of its income.
   d. Identify the goods or services provided by these places that your family needs or enjoys.
   e. Brainstorm the ways a business uses its income.

2. Learning about incentives.
   a. Define profit as the difference between production cost and selling price. Read and interpret the diagram on how to figure profit and loss (Attachment B).
      INCOME - COSTS = PROFIT. COSTS = salaries, rent, utilities, and cost of goods.
      Discuss profit as an incentive for entrepreneurs.
   b. Name five or more places of business that hire employees and pay wages but are not interested in making a profit, such as police and fire departments, schools, churches, museums, zoos, parks and recreational facilities, etc.
   c. Do a "Thumbs Up Thumbs Down" activity on profit or loss (Attachment C).

3. Brainstorm ways households can earn income other than by earning a wage or a salary. For example, they may sell or rent natural resources (land, agricultural products, trees, oil or gas), capital resources (rent buildings, sell machinery and equipment) and entrepreneurial resources (interior decorators, landscape designers, plumbing or electrical services).

Independent Practice

1. Utilizing the yellow pages of a telephone directory, have students categorize at least 10 different places where a family could spend its income for groceries, clothing, entertainment, and repairs.

2. For a five-day period have students tally the number of times their family spends money on groceries, clothing, entertainment, and repairs.

3. Given the two sets of figures that represent sales and expenses, calculate the profit or loss for an imaginary business (Attachment D).

4. Write a paragraph explaining how and why making a profit would be a motivating force for an entrepreneur.

Evaluation

1. Students will write a humorous story pretending they are the family pay-check. Trace life cycle from one paycheck to the next.

2. Students will complete the flow charts (Attachment E).

3. Students will write two or three sentences explaining the different ways a business spends its income (wages, rent, taxes, maintenance, cost of capital goods).

4. Students will pretend that they own a business. They will write short speeches stating primary reasons for being in business. Give examples of how goals were achieved.

5. Students will create and calculate a simple Profit and Loss Statement for an imaginary business. Use correct terminology and format.

Extension

1. Survey several local business owners. Report on the number of employees, the number of daily customers, ways income is utilized, factors that affect their businesses and their dreams for future growth.

2. Contact the Chamber of Commerce Committee on Economic Development for information on attracting major industries or businesses to the community. Make a colorful advertisement to encourage the business to relocate in your community.

3. Dream up five things you think you could do to earn money. Think of some ways you and a partner might earn money. Be innovative and suggest some things for your teen-age brother or sister. Predict five ways to make a profit in the future.

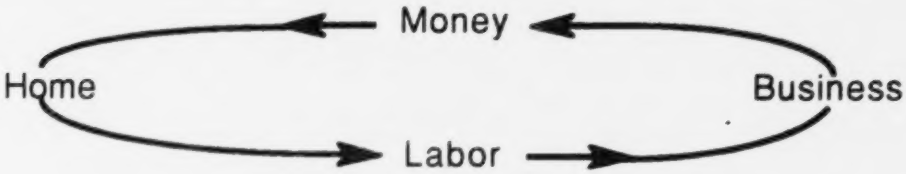
4. Pretend you are a successful entrepreneur. Write a poem, rap, or song telling how you made it BIG!

5. Set up a realistic classroom business. Establish goals, organize procedures, keep accurate records, and figure the profit or loss.

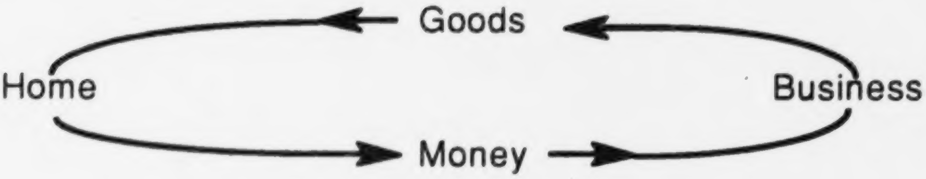
FLOW CHART

Example:

a. Money into the home

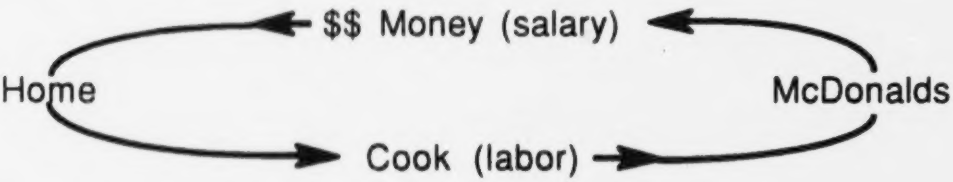

Money
Home
Business
Labor

b. Money out of the home

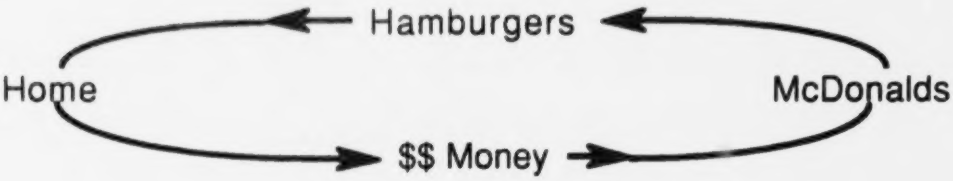

Goods
Home
Business
Money

Specific:

a.

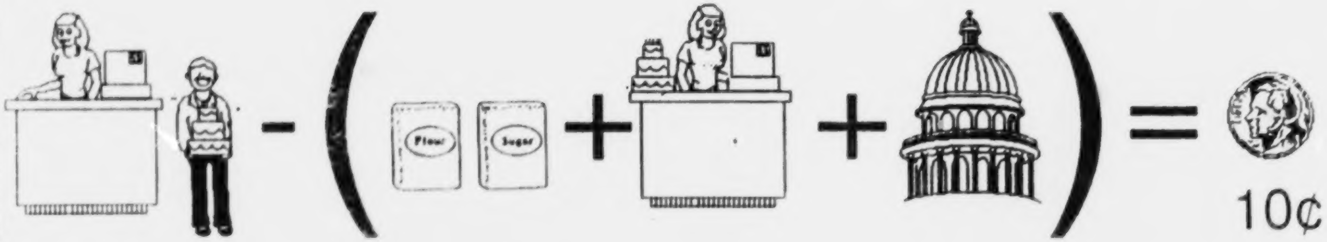

$$ Money (salary)
Home
McDonalds
Cook (labor)

b.


Hamburgers
Home
McDonalds
$$ Money

PROFIT

What is profit...



Income - (Natural Resources + Labor + Taxes) = Profit

Income-costs of production & taxes = profit

Attachment B

PROFIT

Profit -- Thumbs Up

Loss -- Thumbs Down

1. Cupcakes cost 15¢ to make. They sell for 25¢.
2. Popcorn sells for 50¢. It costs 10¢ to make.
3. Newspaper costs 65¢ per copy to print. It sells for 50¢ per copy.
4. Pizzas sell for $4. They cost $2 to produce.
5. A calendar costs $5 to print. It sells for $8.
6. I paid $800 for a used car and sold it a while later for $1000.
7. I sold a car for $500. I paid $800 for it.
8. I mowed a lawn for $7.50. My cost was $2 for gas and $6 for repairs.
9. I babysat for five hours and earned $20. I had to pay my mother $25 for a new shirt.
10. I raised a steer. I sold him for $300. It cost me $200 to feed him and $25 for a veterinary visit.

Profit

Calculate the difference in the two figures. Decide if this is a profit or loss.

Remember:

Income - Cost = Profit

INCOME	COST	DIFFERENCE	WRITE P OR L
$7.50	$9.00		
8.40	9.75		
11.00	7.50		
4.60	3.50		
27.80	29.00		
31.75	18.65		

Do we earn a profit when income

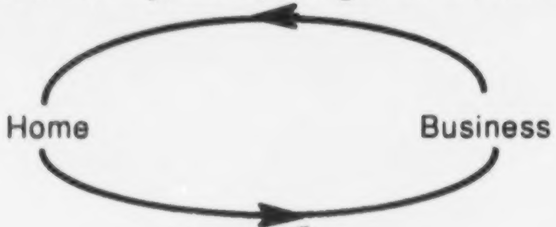
is higher or lower than cost?

Attachment E

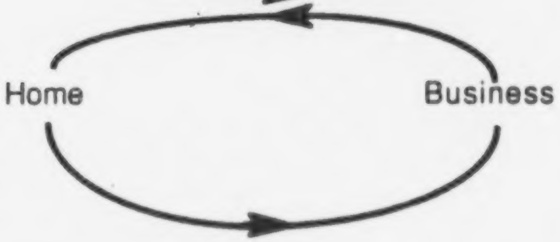
ACTIVITIES ON FLOW CHART

I. Place the words *money*, *labor*, and *goods* on the correct line.

a.


Home
Business

b.


Home
Business

II. Draw the arrows pointing to the correct word.

a. Home ____________ Business

____

b. Home ____________ Business

____

III. Name the five words used on the flow charts and briefly describe each.

Grade Level: **Fifth**

Concept: **Equilibrium Price**

Teacher Terms

When the price level is reached where the quantity of a good supplied equals the quantity of the good demanded, it is called the equilibrium price or the market clearing price.

Student Terms

The price which will make the amount of something that shoppers will buy equal to the amount that stores want to sell it for is called the equilibrium price or market clearing price.

Objectives

The fifth grade student will be able: **to recognize and explain the function of equilibrium price.**

Resource Materials

- Trade-Offs, Video or film strip (JCEE)
- MCG Using Economics In Social Studies Methods Courses (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)
- The Elementary Economist, Vol. 2, No. 3 (JCEE)

Focus

1. Using a gallon jar of big pickles (or any other tangible object), survey the class by asking the following questions: "How many of you would pay $1 for one of these delicious, scrumptious, wonderful pickles? How many of you would pay 50¢ for one of these large, juicy pickles?" Ask for a show of hands for each question and tally the responses on the board. Determine the number of pickles needed to satisfy the demand at each price. In a class discussion, lead the students to state that the lower the price, the higher the quantity demanded; and the opposite, the higher the price, the lower the quantity demanded.

2. Award a student in the class with a banner or an award ribbon stating: BUSINESS TYCOON OF THE WEEK. Select the student after completing the following activity.

   Play "How Many at What Price?" Students estimate how many items they would order to sell (limit the number of consumers to a classroom size) and the price at which they would sell them. Use the following items:

   Christmas trees in December--how many, how much?
   Heart-shaped pillows in early February--?
   Colored eggs before Easter--?
   (Dozen) roses in early May--?
   Pecan pies in November--?

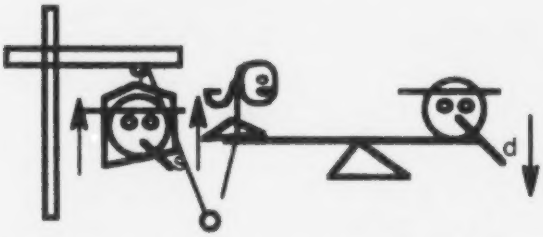
   Have students write their realistic estimates on a piece of paper. After students have written answers for all five, share the answers orally. Keep the estimates for later. At this time, let the class vote for the student that they think made the best possible predictions for buying and selling. Declare that person the BUSINESS TYCOON OF THE WEEK. If there is difficulty in choosing a winner, assure the students a way to check this will evolve later in the lesson.

Modeled and Guided Practice

1. Write the following definitions on the chalkboard or overhead transparency.
   a. Demand: How much the buyer is willing to buy per unit of time at various prices.
   b. Supply: How much the seller is willing to sell per unit of time at various prices.
   c. Equilibrium price: That price at which the quantity supplied is equal to the quantity demanded.
   d. Market price: Same as equilibrium price.
   e. Law of demand: At higher prices fewer goods will be demanded than at lower prices; or at lower prices more goods will be demanded than at higher prices, other things equal.
   f. Law of supply: More goods will be offered for sale at higher prices than at lower prices; or, fewer goods will be offered for sale at lower prices than at higher prices, other things equal.
   g. Demand schedule: A chart showing the quantities of a good or service demanded at various prices for an individual buyer or for group of buyers.
   h. Supply schedule: A chart showing the quantities of a good or service supplied at various prices for an individual seller or for a group of sellers.

   Add to or create a class dictionary with these terms and make it available for students to use.

2. Write the universal law of supply and demand: As the price goes down the quantity demanded goes up and as the price goes up the quantity demanded goes down.



Miss P. & Mr. Q of S move together. That illustrates the Law of Supply.

Miss P. & Mr. Q of D move in opposite directions. That illustrates the Law of Demand.

Illustration taken from the H.M.S.-G.N.P., Musical for Children by Howard R. Yeargan.

3. Distribute completed copies of a classroom supply and demand schedule (Attachments A and B). Discuss the quantities demanded at the lowest price and the quantities demanded at the highest price. Find and discuss the equilibrium price.

4. Using the statistics given, survey the class on the demand for school t-shirts or school annuals. Construct a demand schedule. Discuss findings. Assign the prices of $2, $3, $4, $5, $7, $10 to the selected item.

5. Distribute copies of the supply and demand graph (Attachment C). Review the definition of equilibrium price. Point out on a graph, that the equilibrium price is the point where the two lines intersect. Have the students circle that point and state the equilibrium price.

Independent Practice

1. Have the students work in groups of five or six. Each group will select a product or service. Each group will set five different prices for that product. Survey their own group about how much they would buy at each price. Use this information to construct a demand schedule. Let each student create his/her own schedule of his/her selected product (one schedule per student).

2. Given a completed supply and demand schedule, write six statements about the information given. Write one statement about the "equilibrium price."

CORNY DOGS per week

Price	Quantity Demanded	Quantity Supplied
$ .50	50	5
1.00	30	10
1.25	15	15
1.75	10	30
2.25	5	50

3. Given a completed graph write five statements about the line depicting supply, five statements about the line depicting demand and one statement about the equilibrium price (Attachment D).

4. Complete the student handout (Attachment E). Interpret the supply and demand schedule and answer the questions.

Evaluation

1. Students will write in own words the definition of the universal law of supply and demand.

2. Students will write two examples that illustrate the law of supply and the law of demand.

3. Students will use the following demand and supply schedules to determine the market price for apples.

Quantity of apples demanded:	Quantity of apples supplied:
4 bushels for $4 a bushel	4 bushels for $2 a bushel
6 bushels for $3.50 a bushel	6 bushels for $2.50 a bushel
8 bushels for $3 a bushel	8 bushels for $3 a bushel
10 bushels for $2.50 a bushel	10 bushels for $3.50 a bushel
12 bushels for $2 a bushel	12 bushels for $4 a bushel

Extension

1. Create an original survey by interviewing a community business owner about a product that is in high demand at a certain time of the year and in low demand at other times of the year. Complete a demand schedule for that product. Predict the equilibrium price.

2. Students will survey parents and other community people to determine the price to sell items at the church bazaar or neighborhood yard sale. Examples of items for sale are potted plants, ceramic vases, painted t-shirts, hair bows, etc. Construct a supply and demand graph to determine what would be the equilibrium price to charge for a particular item.

Attachment A

Price per item	D quantity demanded	S quantity supplied

430

Attachment B

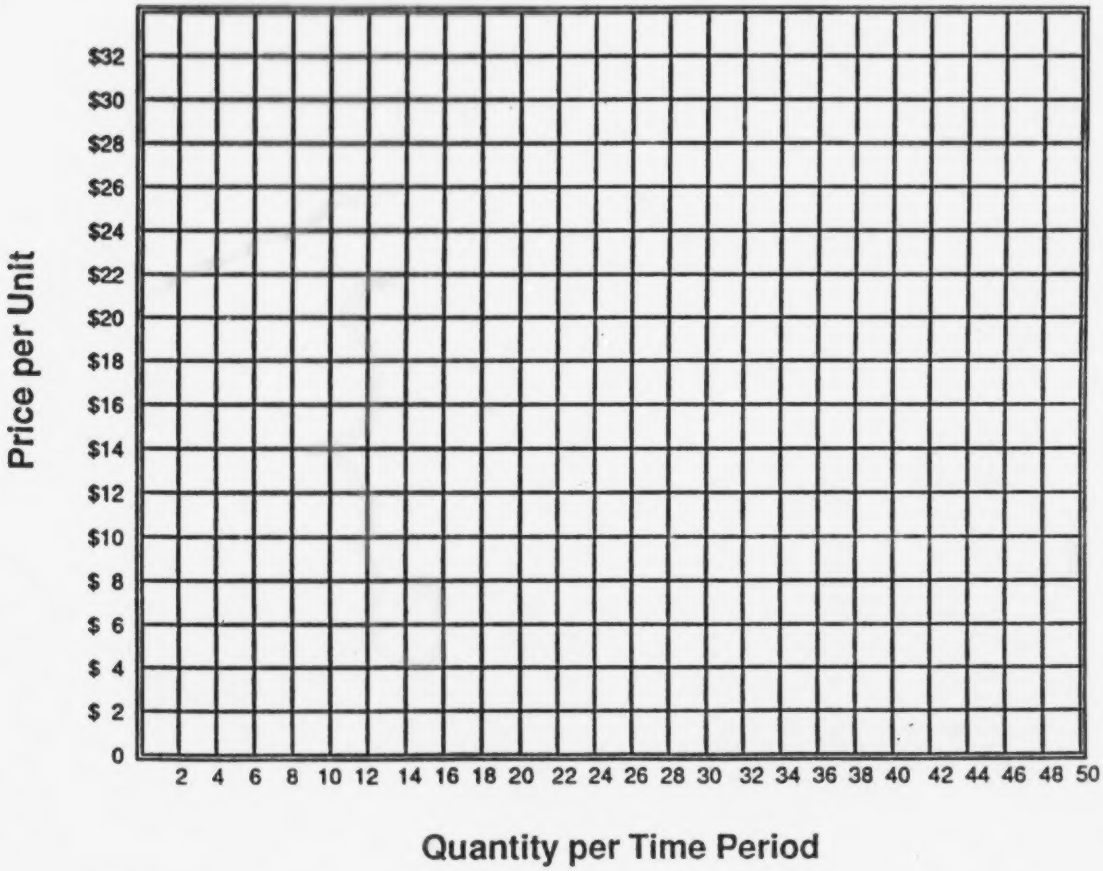
Directions:

A. Find the equilibrium price of the item below.

B. Graph the supply and demand curve marking the equilibrium price.

Andrew's Model Airplanes: Quantity Demanded and Supplied per Total Time Preiod

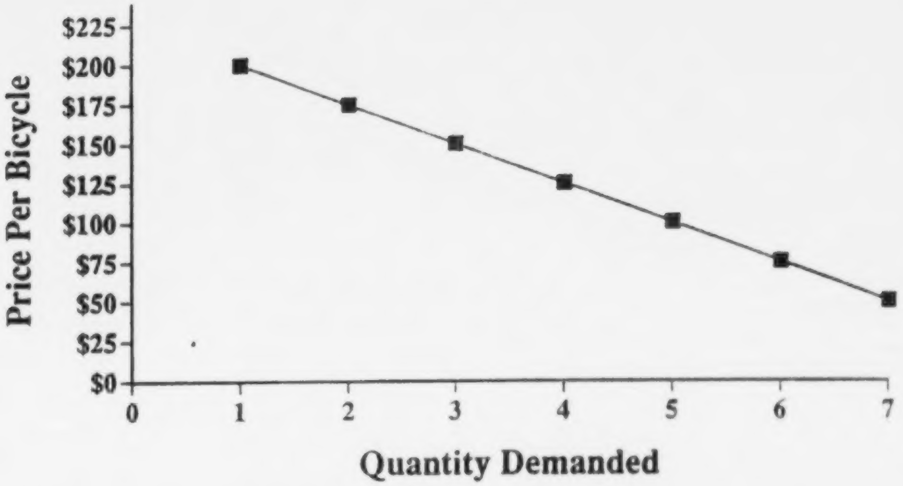
Price/Unit	Quantity Demanded	Quantity Supplied	Total Revenue
$ 30	1	15	$ 30
$ 20	5	12	$ 100
$ 10	10	10	$ 100
$ 5	25	6	$ 125
$ 3	40	4	$ 120
$ 2	50	2	$ 100



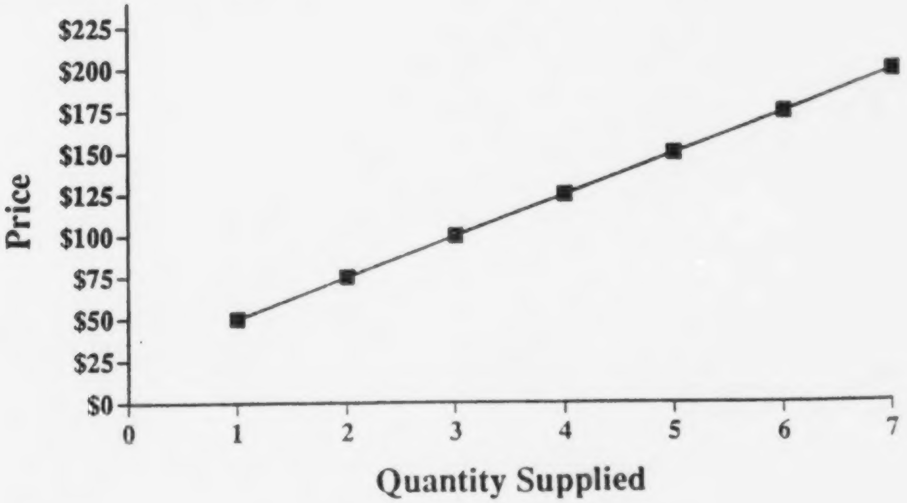
Name: ____________________

Attachment C

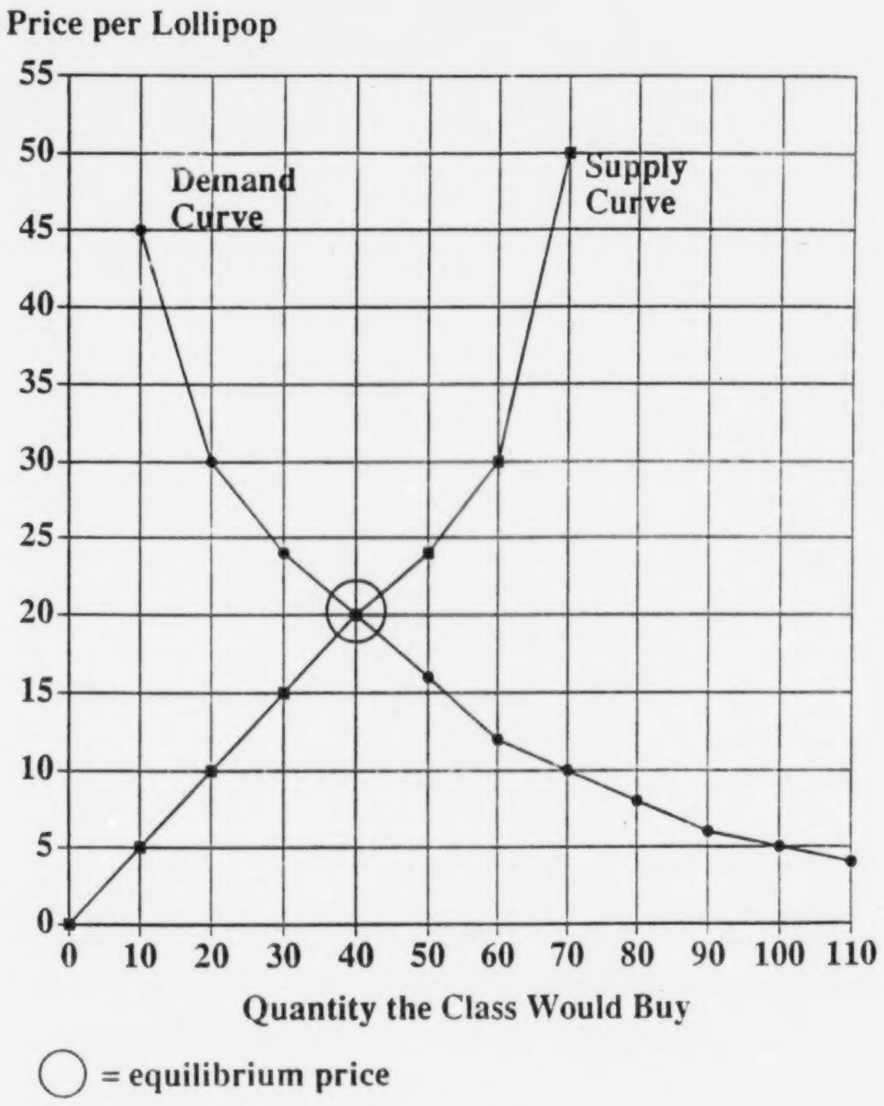
I. Demand Curve



II. Supply Curve



CLASS DEMAND



Attachment E

TEST OF UNDERSTANDING

The schedule below shows the number of chocolate brownies customers are willing to buy at different prices at a specific time.

The schedule below shows the number of chocolate brownies vendors are willing to sell at different prices and at a specific time.

DEMAND

Brownie Price	Quantity Sought
$1.00	200
.80	250
.60	300
.40	350
.20	400

SUPPLY

Brownie Price	Quantity Supplied
$1.00	400
.80	350
.60	300
.40	250
.20	200

Answer the following questions using the information given in the two schedules above.

1. What happpens to the quantity demanded when the prices decrease?
It ________________________________.
(increases/decreases)

2. What happens to the quantity demanded when the prices increase?
It ________________________________.
(increases/decreases)

3. What happens to the quantity supplied when the prices decrease?
It ________________________________.
(increases/decreases)

4. What happens to the quantity supplied when the prices increase?
It ________________________________.
(increases/decreases)

5. When the quantity of brownies that customers are willing to buy is equal to the quantity of brownies that vendors are willing to sell the ______________________ has been reached. The price at that point is _____________ and the quantity is _____________.

Grade Level: **Fifth**

Teacher Terms

Individuals, families, governments, and societies all face the imbalance between relatively unlimited human wants and limited resources.

Concept: **Scarcity**

Student Terms

The reason that not enough services and goods to satisfy all of our wants is that we, as individuals, families, governments, and societies, have unlimited wants and limited or scarce resources.

Objectives

The fifth grade student will be able: **to explain the relationship of productive resources to scarcity.**

Resource Materials

- Econ and Me (JCEE)
- Trade-Offs (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)
- MCG Using Economics In Social Studies Methods Courses (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- Computer Software: Choices, Apple II, II+, IIe
- Cobblestone, May 1989
- Cobblestone, January 1989
- The Elementary Economist, Winter 1988

Focus

1. Play Musical Chairs in reverse. Let the chairs represent the limited supply of resources. Label each chair with the name of a good or service. Each student can wear an armband labeled "Wants" or "Needs." Start and stop the music as in the usual manner. Begin the game with an equal number of chairs and students. When the music stops, each student finds a chair. This illustrates that all needs for goods and services are fulfilled. To adjust the situation to represent an increase in population, add one more student to represent an increase in needs. This time one student will be left standing representing wants and needs that are not satisfied. Play several rounds, adding one student each time, but leaving the number of chairs the same. Discuss the increase in the desire for goods and services and ways to fill the need between unlimited wants and limited resources.

2. To introduce the concept of scarcity, let the class choose a team sport for discussion. Decide on and list the five most important items needed for this sport. Write the name of each item separately on four individual cards (total 20 cards). Place all the cards in a basket. Divide the class into five groups. Pass the basket and let each group draw four cards. The groups may exchange or trade cards in order to attain each necessary item, but in the end, each group will still be one important item short.

   Discuss the scarce items, the feelings associated with scarcity and draw conclusions about limited resources.

Modeled and Guided Practice

1. List the three basic categories of productive resources and give examples for each. Discuss how and/or why each of these resources is *scarce*.

   Human resources: number of people available for work; health, strength, education, and skills of people; hours available for work; level of ability of available people; motivation of people.

   Natural resources: *gifts of nature* such as land, timber, fish, oil, mineral deposits, fertility of soil, and conditions of the climate.

   Capital goods: buildings, equipment, machines, ports, dams and other manufactured things needed to produce goods and services.

2. Discuss definition of Entrepreneur as a risk taker, innovator, organizer. Distribute copies of the article, "A McDonald's Coins Big McMoney" (Attachment A). Read and discuss together the risks, resources, goods and services, and opportunities of an entrepreneur.

3. List the factors of production needed to make such items as orange juice, Kool-Aid, cupcakes, jeans, or shoes. Include human resources, natural resources, and capital goods and explain how and/or why they are scarce in each of these uses.

Independent Practice

1. Take an imaginary walk through the community and list several businesses that provide goods and several that provide services.

2. Brainstorm with a partner how limited productive resources such as education, water, and roads can affect our everyday lives, especially when a scarcity of these resources exists.

3. Research and write a report on an entrepreneur of the past or present such as Donald Trump, Sam Walton, Ray Krock, Mary Kay, Lee Iacocca, John D. Rockefeller, Levi Strauss, Walt Disney, Robert Fulton, Famous Amos, Liz Claiborne. Identify some of the opportunities, resources, and risks related to their success stories.

4. Suggest several possible uses of a tract of land near your school that has been donated to the community. Use the Decision Tree (Attachment B) to support several choices.

5. Students pretend they are preparing for a hurricane. Looking in their pantries, they realize that they need more supplies to carry them through the storm. When they arrive at the crowded supermarket, they find many empty shelves. They must make selections from the available, non-perishable goods. If their first choices of items are not available, then they must be prepared to select alternatives. Remember, due to the storm, all utility services may be interrupted. What kinds of goods would the students purchase? List the necessary items along with several alternatives.

Evaluation

1. Students will write a definition explaining scarcity stated in terms of wants and needs.

2. Students will write a definition explaining scarcity stated in terms of limited productive resources.

3. Students will write an essay on entrepreneurs and include ideas on risks, resources, opportunities, and motivation.

Extension

1. Rewrite nursery stories such as Little Red Hen and Jack and the Beanstalk using economic terms. For example, what scarce productive resources did the little red hen use? What was Jack doing to get the magic beans?

2. Compare and contrast the construction of various shelters from Indian times to the present illustrating the use of or lack of productive resources.

3. Interview a local leader such as the mayor, city manager, or county commissioner concerning plans, programs, or facilities for the homeless, socio-economically deprived, or the aged population of the community.

4. Given the following situation, have the students debate or roleplay a town meeting to solve the problem. *A city needs a new animal control center, but it also needs new water lines on the opposite side of town. Each project will cost $20,000, but the city has only enough money to pay for one of the projects at this time. Fifty houses will benefit from the new water lines. Many more families will use the animal control center. Which project should the city choose?*

5. Draw to scale the floor plan for a one-room clubhouse. The dimensions of the room are 12 x 16 with a fireplace at one end. Space is the scarce resource here. Also included are two couches, two chairs, a game table with four chairs, a television and some bookshelves for other entertainment items. Remember doors and windows. Place these items in a convenient arrangement in the available space. Use accurate measurements.

6. Make a booklet of past and present retail items that may have experienced a scarcity because of their popularity. Chart the rise and fall of their popularity and cost. Examples: Cabbage Patch dolls, Nintendo, Trivial Pursuit, Nikes, Guess Jeans, Apple computers, Teenage Mutant Ninja Turtles.

Attachment A

A McDonald's Coins Big McMoney

Angelo Lencioni's first year in the fast-food business was about as inspiring as a Big Mac on a stale sesame-seed bun. His 180-seat McDonald's just north of Chicago's Loop grossed roughly $1 million in the 12 months following its December 1981 grand opening--a beefy 30 percent less than an average outlet's revenues.

Lencioni, now 48, took a chance. He opened a second McDonald's near the first in downtown Chicago. But he vowed this restaurant would be different from his first and for that matter from any other McDonald's. By slowly reinvesting profits, he gradually packed it with $1 million worth of rock-'n'-roll-era memorabilia, including Wurlitzer jukeboxes, James Dean and Elvis Presley posters, life-size papier-mache sculptures of the Beatles and a red '59 Corvette. Now, six years later, the 350-seat place, which never closes, lures an estimated 10,000 diners and gawkers a day and grosses $5 million a year (probable profit: 9 percent, or $450,000), making it in all likelihood the highest-volume McDonald's --and possibly the most profitable--in the United States.

For Lencioni, festooning his second franchise turned out to be such financially rewarding fun that he and his partner, Kathy Connelly, 41, have gone back and outfitted the original store with American Indian curios. (Connelly is the now remarried widow of Lencioni's cousin and original collaborator, Donald Lencioni, who died of a heart attack in 1982.) Business at that location has almost doubled since the 1985 remodeling. In addition the partners have opened a third McDonald's in the neighborhood--decorated as a paean to the Hollywood western. In all, the franchises gross around $10 million a year and throw off an estimated $900,000. "I know it's crazy," says Lencioni of his constant redecorating. "I spent $900,000 on the three restaurants last year." Crazy like a fox. He knows glitz is golden.

Lencioni, who declines to discuss his own annual earnings, began his restaurant career washing dishes at his family's downtown Chicago spaghetti house, Armando's. He got a college degree in hotel and restaurant management from the University of Denver in 1961, but spent most of the next 19 years working in the family business. By 1980, however, he and Donald, who also worked at Armando's, were ready to set out on their own. They applied for a McDonald's franchise in March 1980 and signed the standard agreement, thereby committing themselves to pay the parent company about $450,000 for franchise rights and interior fixtures such as ovens, dishwashers, counter, tables and chairs. Opening the place took all the money they had; Angelo even had to sell most of his furniture. Now, according to restaurant industry analysts, Lencioni probably pays McDonald's 13 percent to 15 percent of monthly revenues as rent on his units.

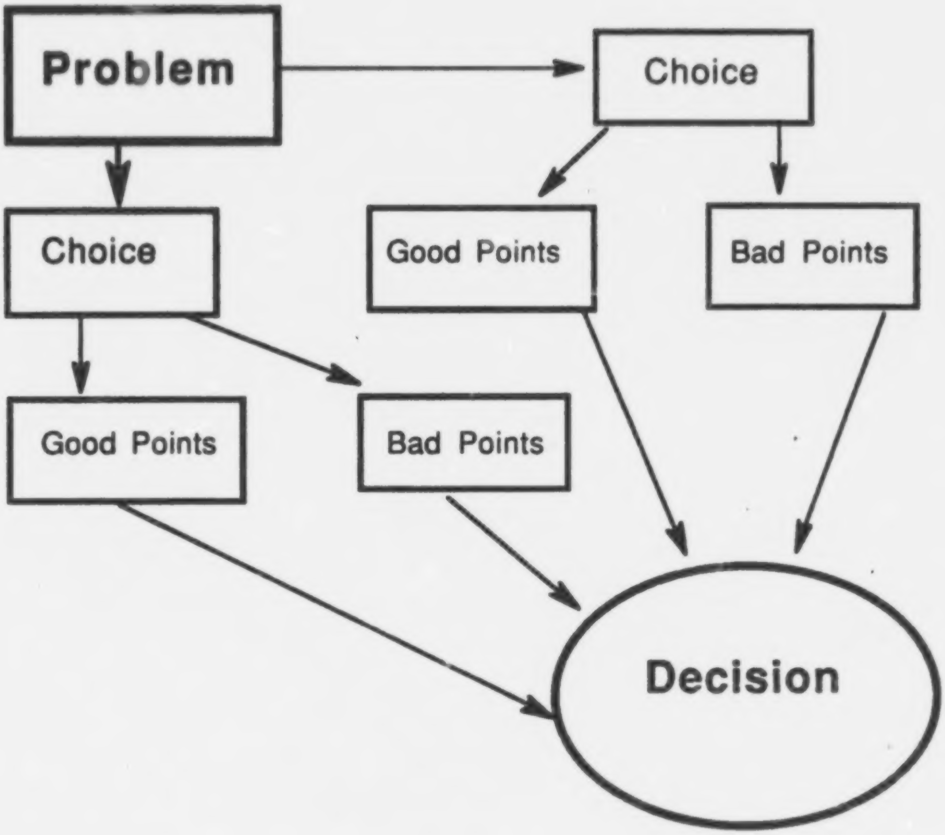
McDonald's, famed for its overall cookie-cutter formula for success, is also known in restaurant circles, somewhat surprisingly, for a policy of encouraging franchises to suggest new menu items and try bold interior designs within the boundaries of family appeal. Still, no franchise has tested McDonald's flexibility more than Lencioni. Says he: "McDonald's has been happy to foot the bill to expand this restaurant because they see that when I add more, I get more customers."

Lencioni, who is married and has two sons, ages 25 and 27, now spends most of his 80-hour workweek running the rock-'n'-roll show, staging Santa Claus visits, sock hops, and Chuck Berry concerts to bring in people of all ages. Meanwhile, minority partner (49%) Connelly, whose son and daughter are in their twenties, splits her 50-hour workweeks between the two other outlets.

"Money Makers: The Secret Formula: Guts, Glitz, and Rock 'n' Roll" by Jan Alexander. Reprinted with special permission, MONEY Magazine, December 1987, Time Inc.

Decision Making

Decision making starts with a problem. This produces choices which have both good and bad points. When these are considered, a decision can be made.


Problem
Choice
Choice
Good Points
Bad Points
Good Points
Bad Points
Decision

Grade Level: **Fifth**

Concept: **Competition**

Teacher Terms

When there are so many buyers and sellers that no one can affect the price at all, you have a highly competitive market.

Student Terms

The more buyers and sellers, the more competitive the market.

Objectives

The fifth grade student will be able: **to recognize the difference in buyers' and sellers' reactions when competition becomes very intense.**

Resource Materials

- Econ and Me, Video Series (JCEE)
- MCG Teaching Strategies, Intermediate Level (JCEE)

Focus

1. Conduct an impromptu survey on favorites by having a show of hands from the students. Note, record, or tally the first and second place choices.
   a. favorite flavor of ice cream
   b. favorite soft drink
   c. favorite cereal
   d. favorite brand of toothpaste
   e. favorite TV program

   Identify the two most popular answers for each group. Note that not everyone feels the same way. Why? Discuss reasons for preferences. Conclude with the idea that consumers and producers have many choices in today's market.

2. Conduct a Sweet Choices activity to emphasize that almost every good or service has a substitute and that prices influence choice. The higher the relative price of the first choice, the greater the tendency for consumers to substitute a less costly item for the choice. Display five candy bars. Include some favorite ones and some less favorite ones. Conduct a vote and record how many votes each receives as the favorite candy bar. Each student only gets one vote. Then add imaginary prices to the candy bars: $1 for the favorite, 75¢ for the second, 50¢, 30¢, and, 25¢ in order for the others. Now vote again. Consider the new prices. Notice if any votes change. Lead the discussion to note that if consumers do not think that the more expensive item is worth the difference in price, they will substitute a lower-priced item for the more expensive one.

Modeled and Guided Practice

1. Write this definition on the chalkboard: A competitive market is one where there are many buyers and sellers of a good or service with no agreements on prices and where firms are free to enter or leave at any time. A noncompetitive market structure is called a monopoly.

2. Discuss every day experiences of the students that involve competition such as games, sports, elections of officers, grades, fund-raising, poster contests, etc. Lead the students to conclude that competition challenges people to try harder, practice more, and do their best.

3. Read and discuss the following scenario orally. Explain the difference in the story between a competition and monopoly.

> One hot summer day I opened up a refreshment stand in my neighborhood. I was doing well selling refreshments to my thirsty customers. The next week two new refreshment stands opened up on the next two streets. Then my sales were not doing as well. I had to come up with some new ideas for my business so I could sell more refreshments.

4. Play the Competition Association game. Pass out the following list of competitors. Have students match competitive brands and products. After completion, discuss that a competitive market has many buyers and sellers. Point out that competition encourages producers to keep prices relatively low, quality relatively high, and offers consumers more alternatives.

1. Coca Cola
2. Chevrolet
3. Bayer
4. Wal-Mart
5. Snickers
6. Texaco
7. Nike
8. Bubble Yum
9. Justin
10. Jiff
11. Sprint
12. Oscar Meyer
13. Wrangler
14. Pizza Hut
15. Honda
16. Duncan Hines
17. Apple IIe
18. McDonalds
19. BMW
20. Kawasaki

a. Sprite
b. Dominoes
c. Betty Crocker
d. Peter Pan
e. Bryan
f. MCI
g. Burger King
h. Levis
i. Bufferin
j. K-Mart
k. Toyota
l. Ford
m. Tony Lama
n. Bubbelicious
o. IBM
p. Mercedes Benz
q. Exxon
r. Head & Shoulders
s. Adidas
t. Yamaha

Independent Practice

1. Write several real-life examples on your experience with competition. Include some where you were the winner and some where you were the loser.

2. Using the telephone yellow pages, find several establishments that do not appear to be in a highly competitive market in your community. These may or may not be local monopolies. Give several statements to support your findings.

3. Teacher distributes copies of the following discussion and students answer the questions that follow.

> "In 1970 R. J. Slocum began producing home computers. Each computer sold for $1000. His profits in the beginning were as much as $5000 per month. By the end of 1971 there were about 20 manufacturers of home computers." Why? (High profits attract other producers) The price of a home computer went as low as $500.

a. When Slocum started manufacturing computers in 1970, why was he able to make large profits? (Slocum was the only producer of computers; he had no competition; people wanted them.)

b. Why did other firms begin producing home computers in 1971? (Other firms realized there was a demand for computers and saw the possibility of making large profits.)

c. Why did the price of the computers fall so quickly? (A greater variety and supply of computers were available to the consumers; producers dropped prices to attract customers; production became more efficient, less costly.)

d. How did the customer benefit from this competition? (Producers had to make better computers to remain competitive; prices fell; more styles and types of computers were available.)

4. Create a questionnaire that could be used in a market survey that could influence a consumer's choice of cars to buy or a producer's choice of cars to make

   a. What is the size of your family?
   b. How many cars in your family?
   c. What is your reason or need for another car?
   d. How many miles per gallon do you want your car to get?
   e. What options do you want your car to have?
   f. Can you repair or service the car yourself?
   g. Is repair service convenient?
   h. How is your car normally used?
   i. What type of interior do you prefer?
   j. What is your approximate economic level?
   k. About how much do you want to spend?
   l. Is "Buy American" important to you?
   m. Are you concerned about pollution?
   n. What is your dream car?
   o. What is your choice in reality for this car?

5. Create a collage of advertisements representing a specific product or market such as jeans, perfumes, banks, etc. How competitive is the market for this product?

Evaluation

1. Students will name two competitors in today's marketplace and write five statements about the nature of their competition.

2. Students will name a good or service and give several substitutes for it (Attachment).

3. Students will make up an imaginary situation explaining in their own words the difference between competition and a monopoly.

4. Students will give five examples of current advertising slogans and/or techniques.

Extension

1. Choose a product that is available in the grocery store and do a comparative analysis of its sizes and prices. Compare it to a competitive product. Present your findings in a visual form.

2. Log the advertisements that are on the television networks. Note the program title, time, the target audience of the show and the target audience of the commercial. Report your observations.

3. Research public utility companies and explain why there is little competition in that field. Compare them to a monopoly and decide why they are allowed to operate as such.

4. Prepare an original TV commercial or skit to sell a new or old product.

5. Make realistic predictions on future price increases, decreases, or substitutions. Be prepared to support your theory with some statement.

6. Debate "American Made vs. Foreign Made."

7. Sponsor a "Design-an-Ad" contest.

Attachment

What would you substitute?

	1	2	3
Cars			
Cereals			
Shirts			
Jeans			
Candy			
Television			
Beef			
Colleges			

Grade Level: **Fifth**

Concept: **Role of Government**

Teacher Terms

Goods and services provided by the government are paid for by collecting taxes or by borrowing.

Student Terms

The government must pay for goods and services it provides, so it collects money by either taxing people or by borrowing the money.

Objectives

The fifth grade student will be able: **to describe and explain taxation as related to government spending and responsibilities of citizens.**

Resource Materials

- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- The Elementary Economist, Winter 1988
- The Elementary Economist, Fall 1987

Focus

1. Give each student $25 in play money. Be sure each has at least $5 in one dollar bills. Have one student represent a police officer. Each person must pay $1 towards the police officer's salary. The teacher may collect the $1 from each student and give it to the police officer. The police officer then tells what he/she will do in return for the pay. Have another student represent a firefighter. Repeat the process with other public sector employees. Point out that this is how a public employee receives an income--through money (taxes) collected from the people.

2. Have a mayor, city council person, city manager, or other public official tell the class how his/her unit of government collects its taxes (i.e., the sources of tax revenues, the rates, etc.). Have the official explain to the students how these tax revenues are spent. What do the citizens that pay these taxes get in return?

Modeled and Guided Practice

1. Divide the students into groups of five. Let each group brainstorm how many goods and services they can name that are provided by the government. Make a class list. Discuss where the money for government spending comes from.

2. Develop a class dictionary of different types of taxes. Be sure to include:
   a. Income tax: A part of one's taxable income paid to the government. Taxable income can be less than actual earnings. Some deductions are allowed. Income taxes are the major source of revenue for the federal government and some states.
   b. Social Security tax: A part of earnings, some collected from the employee and some from the employer. This is used for federal social security benefits.
   c. Sales tax: A percentage of the amount of sales for various goods and services. The percentage varies from state to state and from city to city. Food and some services are often exempt.
   d. Property tax: A percentage of the estimated value of people's property. This is a major source of revenue for local governments.

   Put the dictionary in the classroom where it is available to students. Have students write a story using these terms.

3. Distribute copies of the charts of biggest expenditures and the circular graph of receipts and outlay of state and local taxes for class discussion (Attachments A and B).

4. Brainstorm reasons for collecting taxes. Note that perhaps some people would not choose to spend their money on some of these choices in order to meet a minimal standard. Ask, "Should everyone have to pay taxes to support schools even if they do not have children that attend schools?" Point out in a discussion that everyone benefits from such services.

5. List the names of the positions of city, county, state, and federal elected officials who serve as the people's representatives and who actually make the choices of where to spend our tax dollars.

Independent Practice

1. Using the telephone directory, broaden the list of names of community services that are provided by the city, county, state, and federal agencies.

2. Distribute and let the students explain the circular graphs (pie charts) on taxes (Attachments C and D).

3. Referring to the list of elected officials above (Guided Practice 5), use the library media center to find the names of the people that currently hold these positions.

4. Find pictures of goods and services that are provided by the government. Post these on a bulletin board or in a booklet. Imagine what life would be like without these services. Record your response.

Evaluation

1. Students will respond to the following question in paragraph form. Your city needs five new police officers. Who will pay for these workers and how will they get the money?

2. Students will list the major type of taxes that people pay in this city or county?

3. Students will list the main things that their city, county, or state provides to the citizens with the tax money they pay?

Extension

1. Create a wish list for your community. Write a letter to the editor sharing some of the suggestions.

2. Keep a current events corner. Bring articles relating to the government and spending.

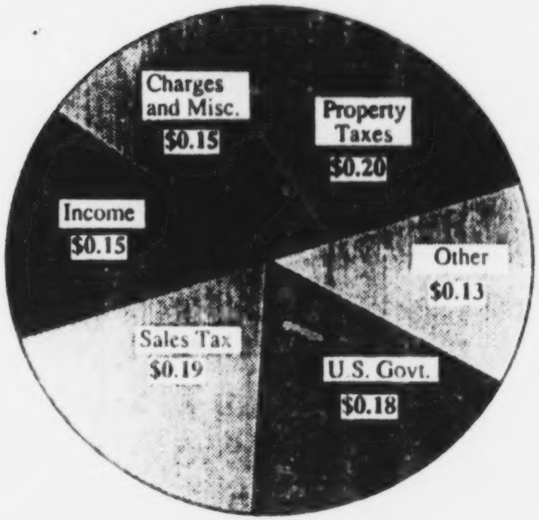
3. Design and paint a mural depicting taxation without representation and the Boston Tea Party during the Revolutionary War. Title it "The History of Taxation."

4. Recognizing that a government's budget is limited, have students suggest ways that they may be more careful in their spending or thrifty in their actions.

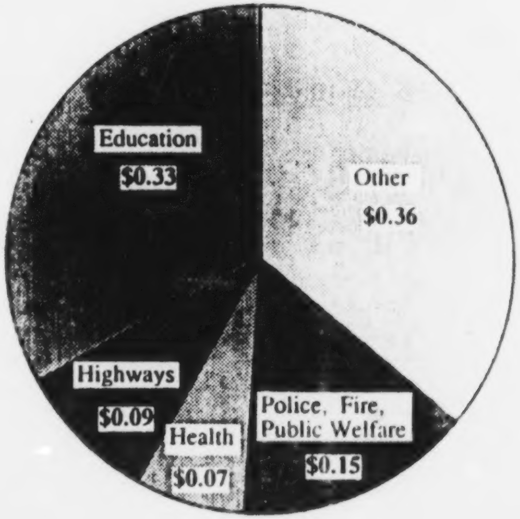
Attachment A

REVENUES RAISED THROUGH TAXATION
STATE AND LOCAL

RECEIPTS



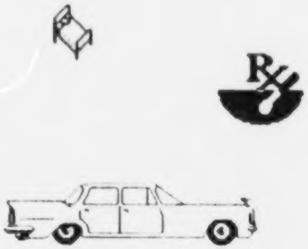
EXPENDITURES



Attachment B

Are Taxes Necessary?

Federal Government	**State** Government	**Local** Government
1. National Defense	1. Education	1. Education
2. Social Security	2. Human Services	2. Police and Fire Protection
3. Interest on the National Debt	3. Highway Maintenance and Construction	3. Sanitation (Water / Sewer)
4. Health Programs	4. Health Care	4. Streets and Roads



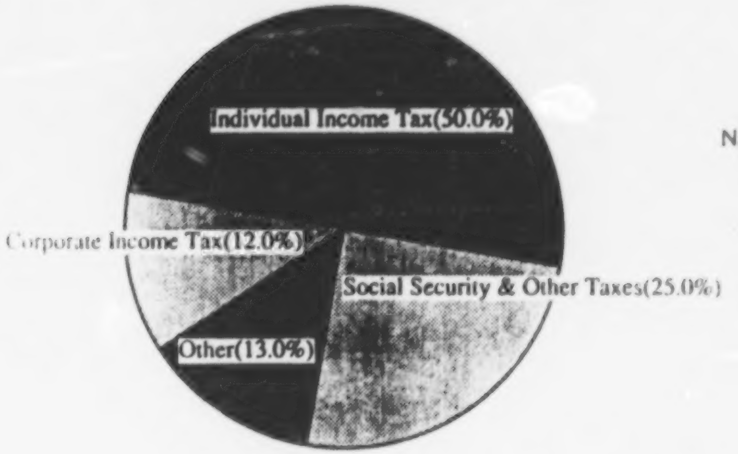
Attachment C

REVENUE RAISED THROUGH TAXATION

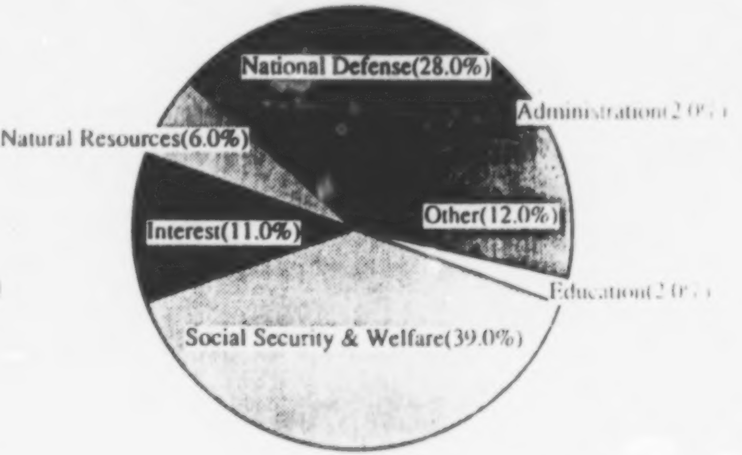
Answer the questions below after studying the graphs, write your answers on the back of this page.

FEDERAL TAXES

Where Revenue Comes From



How Revenues Are Spent



1. WHAT TWO SOURCES PRODUCE THE GREATEST REVENUE FOR THE U. S. GOVERNMENT?
2. WOULD YOU SUPPORT INCREASING BY 1% THE NATIONAL DEFENSE EXPENDITURE TO PAY FOR A NEW AIRCRAFT CARRIER? WHY OR WHY NOT?
3. IF THE U. S. GOVERNMENT WANTS TO CUT SOCIAL SECURITY TAXES BY 10%; WHAT EFFECT WOULD THIS HAVE ON THE WAY REVENUES ARE SPENT? WHOULD YOU SUPPORT THIS CUT IN TAXES? WHY OR WHY NOT?

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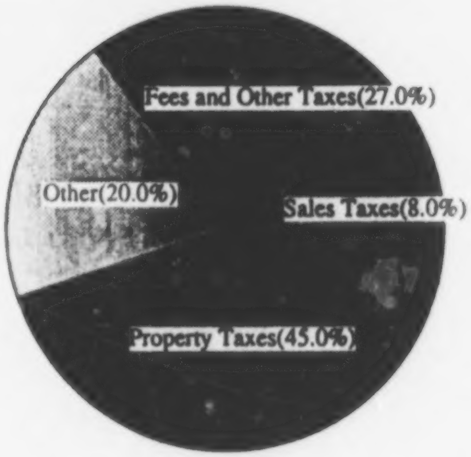
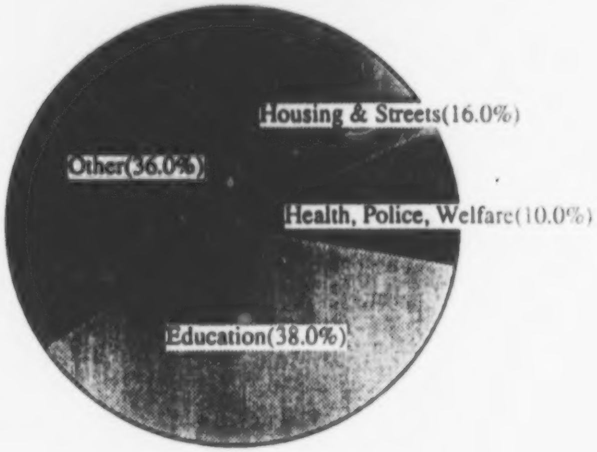
Attachment D

REVENUES RAISED THROUGH TAXATION
LOCAL TAXES


Sources of Tax Revenue


How Revenues Are Spent

ANSWER THE QUESTIONS BELOW AFTER STUDYING THE GRAPHS. WRITE YOUR ANSWERS ON THE BACK OF THIS PAGE.

1. TAX REVENUES FOR THE LOCAL LEVEL COME MAINLY FROM WHAT TWO SOURCES?
2. IF COUNTY REVENUES DO NOT COMPLETELY COVER THE COST OF THE TEACHERS' SALARIES, DO YOU THINK TAXES SHOULD BE INCREASED TO COVER THE COST? WHY OR WHY NOT?
3. IF CITY STREETS HAD LOTS OF POT HOLES, WOULD YOU PREFER TO SPEND $500 TO REPAIR THE STREETS OR REPAIR YOU CAR? WHY?

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Grade Level: **Fifth**

Concept: **Unemployment**

Teacher Terms

People who are willing and able to work at current wage rates but do not have jobs are called unemployed.

Unemployed people usually have less income to buy goods and services than those who are employed.

Qualified unemployed workers are provided an income by the government for a period of time until they can find jobs.

Student Terms

People who want to work but cannot find jobs are called unemployed.

Most people who do not have jobs do not have enough money to buy what they need.

Some people who do not have jobs get help from the government.

Objectives

The fifth grade student will be able: **to compare the advantages and disadvantages of employment vs. unemployment.**

Resource Materials

- MCG Teaching Strategies, Primary Level (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College
- The Elementary Economist, Vol. 7, No. 2 (JCEE)

Focus

1. Show students an empty billfold. Display the "Help Wanted" page from the classified section of the newspaper. Role play the person out of a job, low on money, and trimming the family budget. Looking at the newspaper, circle the job possibilities that you would pursue the next day. Conclude the story with a billfold full of money.

2. Role play a person out of a job, low on money, and trimming the family budget. Discuss why people work. Discuss why people become unemployed. Brainstorm what people who are unemployed can do.

Modeled and Guided Practice

1. Define employment, unemployment, worker, non-worker, and unemployment check.

2. Distribute and read copies of "The Mop Fair" (Attachment A). Discuss how people then and now find jobs.

3. Compare and contrast the monetary and non-monetary rewards of working such as financial, power, satisfaction, security, creativity, and service.

4. List the different skills needed for a selected job. Use the newspaper want ads to locate skills needed.

5. Discuss and list reasons why some people receive unemployment checks and others do not.

Independent Practice

1. Create a survey sheet. Interview five people concerning the status of their employment (Attachment B).
2. List 10 contemporary jobs and what the persons would carry or display as their "tools of the trade" today if we had a Mop Fair.
3. Choose a career and outline the steps that are necessary to reach this goal. Include personal characteristics, educational requirements, and necessary experience.
5. Find a current example in a newspaper, magazine, or television of a famous individual who became unemployed or of an industry that has cut its labor force.
6. Investigate eligibility requirements for unemployment compensation. List who is eligible and who is not.

Evaluation

1. Students will write a paragraph about "Why People Work."
2. Students will define employment and unemployment and give examples of each.
3. Students will tell at least three reasons for unemployment.
4. Students will write a letter to themselves about their goals to put into a time capsule to open ten years later and compare goals with their situations then.

Extension

1. Explore job opportunities for students.
2. Create an advertisement for a chosen job.
3. Interview a senior citizen and compare past and present opportunities.
4. Invite a Chamber of Commerce member, a Texas Employment Commission, or Social Security Administration representative to discuss unemployment in the community.
5. Research unemployment rates in the county or state for the past few years and graph the results.

Attachment A

THE STORY OF THE MOP FAIR

There is not a cloud in the sky. The autumn day is warm. It seems as though all the people of Stratford-upon-Avon are out on the streets. The middle of this town, on England's Avon River, is closed to all cars today. Instead, there are sideshows and rides. Crowds gather. There are sounds of greeting and laughing.

The sound of music is also in the air. The delicious smell of roasted ox hangs over the town. The reason for all this is the Mop Fair.

Every year on the twelfth of October there is a Mop Fair at Stratford. It has been a merry event for more than 400 years.

In the early days the Mop Fair was a holiday. People from the towns and farms in the area came to Stratford for it. Poor people walked there. Rich people came on horseback and in coaches.

The fair had a special purpose. Men and women who wanted work offered their services for hire. They were supposed to be ready to work for someone for a year, until the next Mop Fair. Most of these people were farm workers. But there were also servants and apprentices.

All the workers went to the middle of town. There they stood, displaying the tools of their trade. Everyone could then tell what kind of work they did. A shepherd held his crook, a tall wooden pole shaped like a cane for all to see. A milkmaid often wore a few cow's hairs tied around her waist. Cooks waved their large wooden spoons. All the housemaids held up their mops, which is how the Mop Fair got its name.

Those who did the hiring--the masters--walked about and talked to the workers. They talked about jobs and money. When a master and a worker came to an agreement, the master gave the new worker a penny to buy a ribbon. The worker then wore the ribbon to show that he or she had been hired.

There was fun for all at the Mop Fair and many good things to eat. A whole ox was roasted. It was slowly turned on a spit over a fire. The mayor and other city officials stood by to see that the ox was properly cooked. They were given the first pieces to eat. A group of people danced about in the streets. Around their legs they wore little bells, which tinkled as they moved.

At times traveling jugglers, actors, and acrobats came to the fair. The actors set up stages on carts so the people could see their plays. Plays were very popular at that time.

The Mop Fair went on all day. When night came, only a few workers were left without jobs. They hoped for better luck in two weeks. At that time there would be another special day-The Runaway Mop.

The Runaway Mop was the time when workers who did not like their new masters could run away and seek other work. Masters who did not like their new servants could come back to get someone else to work for them. For this reason, the day was called the Runaway Mop.

As the time went on, the towns grew larger. People left the farms to work in the cities.

The Mop Fair was still held, but it became like most other fairs. People did not stand around waiting to be hired anymore. They went only to enjoy themselves.

These days the Stratford Mop Fair still draws large crowds. They eat, talk, and enjoy the sights, just as they have been doing for hundreds of years.

Mary Shelley, Science Research Associates, Inc., 1978 cited in Rhode Island College Center for Economic Education. Reprinted with permission.

Attachment B

UNEMPLOYMENT

Name	Are you employed?	Are you not employed?	Name of company	Job description	Years of employment skills	Non-monetary reward	What else would you do if you lost this job?
1.							
2.							
3.							
4.							
5.							

Grade Level: **Fifth**

Concept: **Absolute and Comparative Advantage & Barriers to Trade**

Teacher Terms

Productive resources differ in amounts and values in nations throughout the world. This gives each nation a relative advantage, if not an absolute advantage, in producing something to trade in the world market.

Student Terms

The productive resources of countries are different. Some are better at producing some things than others to trade with another country. Both countries gain when they specialize and trade.

Objectives

The fifth grade student will be able: **to relate economic resources, production, transportation, and communication to interdependence and cooperation among different economic regions.**

Resource Materials

- Children in the Marketplace, Level C (JCEE)
- Elementary Lesson Plans, Center for Economic Education, Rhode Island College

Focus

1. Fill a grocery sack with labels collected from canned goods, boxes, clothing, etc. Make sure a variety of countries are represented with the labels. Students will draw two labels each from the sack. When each student has two labels, make a chart on the board to show what countries are represented. For example:

	U.S.	Japan	Mexico	China	Germany etc.
Joe					
Juan					
Carver					
Anthony					
Shatara					
Trina					
etc.					

Tally and discuss the many countries that contribute to the economy of the United States. Note the types of items that come from each country.

2. Send students on a scavenger hunt. Have students name different products they can find in one hour in a large store or shopping mall that come from countries other than the United States. Mark these on a world map and discuss why these countries produce the items they found. Why might they not produce other items? (e.g., weather, mineral resources, lack of skilled labor, etc.). A variation of this activity might identify products from other states within the United States.

Modeled and Guided Practice

1. Using the data from the Focus, examine the list of the countries represented and rank order the countries according to number of items listed.

2. Using the data from the Focus, identify other everyday products that come from these countries. Make a list for future reference.

3. Brainstorm "American dependence upon foreign products, raw materials and services." What are some conditions that could affect this dependence?

4. Read the following story and answer the questions:

   Fireball Freddie is an excellent car salesman. If he works eight hours a day, he can earn $50 an hour or $400 a day. He is also a good bookkeeper. His job requires that he keep accurate records of his sales. If Fireball Freddie spends two hours a day on paper work, he only has six hours left to sell cars. He can make $300 a day and do his own record keeping. Sweet Sue has been working at a fast-food restaurant for $4 an hour. She is willing to change jobs, and she is good at keeping records and books. Fireball Freddie discovers that he can hire Sweet Sue for $6 an hour to keep his records. He can pay her $48 a day and he can sell cars for eight hours. Sweet Sue would be better off working for Fireball Freddie. Fireball would be better off if he hired Sweet Sue to keep his sales records for him. Even though Freddie can do both jobs, it costs him more to be a bookkeeper. He holds a comparative advantage in selling. Sweet Sue holds a comparative advantage in keeping the books.

   a. How much could Fireball Freddie earn each day as a salesman?
   b. How much would Sweet Sue earn at the fast-food restaurant?
   c. How many hours a day did it take Fireball Freddie to keep books?
   d. What was Fireball Freddie's opportunity cost for these two hours?
   e. How much money does Freddie pay Sue for one day?
   f. Draw two conclusions about Freddie hiring Sweet Sue.

Independent Practice

1. Have the students use a large world map to locate the countries that were listed in the Focus activity. Identify and mark each country.

2. Distribute and interpret copies of the pie chart on International Production (Attachment A). Discuss the leading world producers of popular retail items.

3. Survey the home and/or neighborhood for opinions on American dependence on foreign-made goods.

4. Distribute copies of the Treasure Hunt Tally sheets (Attachment B) for students to use as a home survey. Have students find specific brand names or examples from each category and/or country. Compare findings.

Evaluation

1. Students will name five major countries from whom we buy things. List three of each countries' most productive resources.

2. Students will take a list of 10 major imports and 10 major exports within regions, states, and countries.

3. After the teacher distributes copies of the Product Label List (Attachment C), the students will use a large map of the United States to identify and mark each state represented.

4. Read the following story. What products do the Japanese have a comparative advantage to trade? What products do the Americans have a comparative advantage to trade?

The Japanese could use their land to grow corn and wheat or they could use their land for a factory to produce electronics such as a stereo sound system. If they decide to grow corn and wheat, they cannot use it for the factory. Therefore, the opportunity cost of producing wheat and corn is the value of the electronics that they would have to give up. This would be a high cost for the Japanese. Therefore, they have decided to buy corn and wheat from other countries such as the United States. The land in the United States is very good for growing these crops. The Americans could use this land for factories for electronics, but the price of giving up the farmland would be high. The cost of producing electronics in Japan is low. The cost of producing corn and wheat in America is low.

Extension

1. Consider the implications and effects of no world trade. Compare today to a tomorrow that had no world trade.

2. Find advertisements in the newspaper, magazines, etc. that advertise foreign shopping places and/or goods.

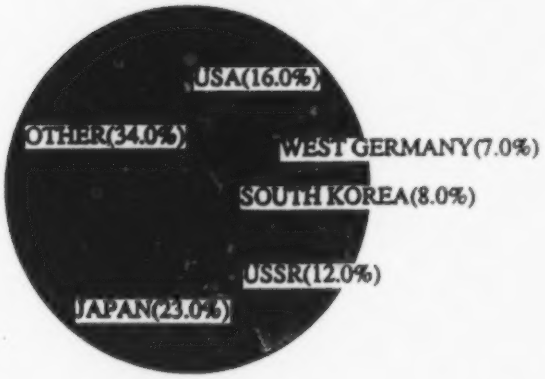
3. Report on the effect international foods have had on Americans' eating habits and menu choices. (Chinese, Mexican, Italian, Greek, etc.)

4. Make a bulletin board of news clippings that illustrate factors relating to world trade or production--weather conditions that affect crops, oil, sugar, etc.

Attachment A

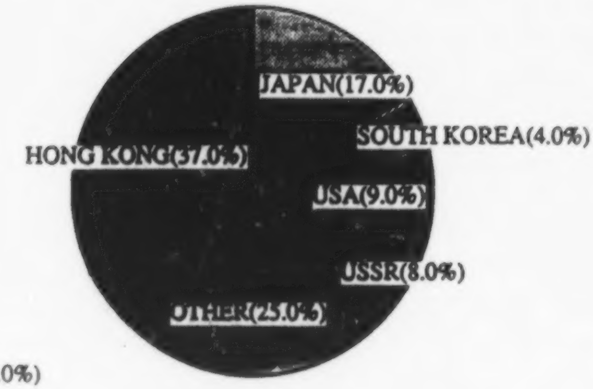
WORLD-WIDE PRODUCTION

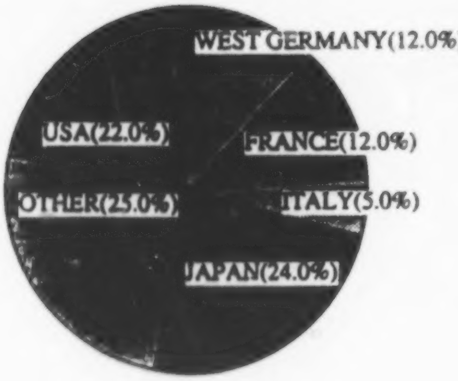
The pie graphs that follow show where most automobiles, televisions, and radios are produced. Each country's percentages of these products is revealed by the graphs.



CARS

TELEVISIONS





RADIOS

463

Attachment B

HUNTING FOR TREASURE

	PRODUCTS	BRAND NAMES	INTERNATIONAL PRODUCTS	SUBSTITUTE
Electronic Devices	Tape player			
Sports/ Hobbies Equipment	Jogging shoes			
Transportation	Car			
Wearing Apparel	Jeans			
Appliances	Range			
Food	Bottled water			

Attachment C

PRODUCT LABELS

1. Candy bar: M & M/Mars, Hackettstown, New Jersey
2. Peanuts: Planters, Winston-Salem, North Carolina
3. Jell-O: General Foods, White Plains, New York
4. Pop Tarts: Kelloggs, Battle Creek, Michigan
5. Cookies: Keeblers, Elmhurst, Illinois
6. Vienna sausage: Libby, Los Angeles, California
7. Cake mix: Betty Crocker, Minneapolis, Minnesota
8. Peanut butter:____________________
9. Pop corn:____________________
10. Salt:____________________
11. Sugar:____________________
12. Flour:____________________
13. Margarine:____________________
14. Soft drink:____________________
15. Breakfast cereal:____________________
16. Soup:____________________
17. Mustard:____________________
18. Steak sauce:____________________
19. Pineapple:____________________
20. Ice cream:____________________

Grade
6

Grade Level: **Sixth**

Concept: **Scarcity**

Teacher Terms

Scarcity makes choices necessary at both personal and societal levels.

Student Terms

People and governments have always faced the problem of scarcity and always will have to make choices.

Objectives

The sixth grade student will be able: **to relate the concept of scarcity to world situations.**

Resource Materials

- Trade-Offs
  - Lesson 1 "Choice"
  - Lesson 2 "Malcolm Decides"
  - Lesson 3 "We Decide"
- "Green River Blues" story
- Small beads -- four colors with varying amounts of each color
- Magazines with many advertisements
- World Book Encyclopedia
- World map

Focus

1. Read the story "Green River Blues" orally. During discussion, have the students identify examples of scarce items and examples of each of the productive resources (Attachment).

2. Discuss/define the term scarcity. What causes scarcity? How is it solved? Identify problems faced daily within a classroom where scarcity is concerned.

Modeled and Guided Practice

1. Scarce Resources (Bead Activity) -- For this activity, have a bowl of beads, differing amounts of each color. Make sure that you know beforehand which color is most abundant, second most abundant, etc. Tell the students that the most abundant color represents natural resources, the second most abundant color represents labor, the third most abundant represents capital resources, and the least abundant represents entrepreneurship. Divide the students into four groups. Scatter the beads around the classroom. Give the students 30 seconds to collect as many beads as possible. At the end of the 30 seconds, tally the number of beads collected by color. Repeat this step (collecting and tallying beads) two more times. After the final collection round, discuss the differences in the number of each color of beads collected. Lead the students to see that resources are not equal. Some are scarcer than others. Also discuss the fact that some resources are easier to find than others -- some may be hidden, some buried, etc. Relate this activity to problems faced in drilling for oil, fishing, etc.

2. Prepare a graph showing U.S. resources (such as cotton) as compared to resources of other countries. Why is U.S. production more/less than other countries? (Discuss scarcity of land, labor, capital.) A graph for this type of activity can be found in World Book Encyclopedia.

Independent Practice

1. Find pictures in magazines of items that involve the use of scarce resources in production. Identify what resource is scarce and what this scarcity does to the cost of the item.

2. Write the following compositions:
   •Expressive Narrative -- Write a story about two students faced with a problem of scarcity and how they solve that problem.

   •Compare and Contrast (Classification) -- Compare and contrast several capital and natural resources. Identify ways these resources are similar and different. Identify any situations of scarcity.

3. Conduct an Economics Hunt -- Find examples in the school where scarcity exists. Cite examples of scarce natural resources, human resources, and capital resources.

4. Identify products of specific countries. Bring an item from home which is labeled "Made in. . ." Discuss commonalities in the products, e.g., many brands of tennis shoes are made in the Orient. Discuss reasons these products may come from a particular region of the world. Introduce new products (products that have not been mentioned in the discussion up to this point). Why might they not be products of that country? (e.g., wheat in Hong Kong)

5. Using a world map, label countries where specific resources might come from (e.g., bananas would come from a hot, moist region of the world). Students could use an almanac or encyclopedia to determine the accuracy of their predictions.

Evaluation

1. Students will identify major products of specific world regions.

2. Given a natural resource, students will tell, write, and/or locate where that resource is plentiful and where it is scarce. Identify possible reasons for the abundance or scarcity.

3. Students will define and give examples of scarcity, productive resources, land, labor, capital.

4. Given a list of resources, students will identify countries where each resource might be scarce and why.

Extension

1. Make a bulletin board or poster identifying abundant and scarce resources.

2. Rewrite a children's story relating it to scarcity, productive resources (e.g., "The Three Little Pigs").

3. Create a game about early explorers and problems of scarcity they faced.

4. Make a map about world hunger. Show locations where hunger and starvation are major problems. Identify scarce resources.

Attachment

Green River Blues

Keith wondered how on earth he could have gotten into such a fix. Here he was miles from civilization with faint chances of making contact with human beings for days or perhaps weeks. He sat down on the damp sand and gazed unhappily at the steep canyon walls. What had started as a canoe trip through the rapids of Green River in western Colorado now took on the appearance of personal tragedy --for Keith at least.

As the canoes hit the last stretch of turbulent water, Keith managed to guide his craft through the first few yards when suddenly he rammed a partly submerged log which was running the rapids too. The canoe spun to the left and to the right in a crazy pattern. In a second, the pleasant canoe trip turned into a wild and wet struggle for survival among the swirling waters of Green River.

When Keith's eyes became accustomed to the sand-laden water, he saw his canoe being tossed like a paper cup on the rocks on the west side of the river. The rest of the canoe party members were rushing through the half-mile stretch of rapidly moving water. Even if they knew of his plight, they could do little to aid him. The next landing place where the group planned to meet was many miles downstream. This was no time to change plans. The foaming waters pushed him against his will and lodged him between two massive rocks almost opposite the wrecked canoe.

Breathing short, hurried gasps of air, he held onto the smooth cold rock. It was impossible to get to the canoe, but beneath the east wall of the canyon at this point there was a beach -- a strip of land at least. Keith hesitated and then acted. His only hope was to make it to the east bank. The cold water began to numb his arms and legs, but with a last spurt of energy he struggled across the narrow channel of swift flowing water and struggled onto the sandy shore.

He was not alone. Lizards scattered in all directions as he made his way to a higher level, and flies buzzed around his head. He saw in an instant that he couldn't go anywhere. Beyond the few jasmine bushes and willows the canyon walls rose steeply to the cloudless sky. His hands clutched at the damp sand, and he threw it angrily at the churning water. He began to think. If only he had followed instructions about ... oh well, what good was there in worrying about what he had or hadn't done. At least he was alive, and he could do something to stay that way. He began to survey the situation and laid out on the sand his total possessions: one knife, some string, a small first aid kit strapped to his belt, and 28 cents in cash. Oh for a hamburger, he thought, but quickly realized that hamburger stands are not too common on the isolated beaches of Green River. The 28 cents were worthless for the present.

A movement in the small pool of water to his left drew Keith's attention. In one of the many side pools formed by water escaping from the main current of the Green, he saw the fleeting form of fish. His hunter's instinct came into play, and he fashioned a hook from one of the safety pins in the first aid kit. Baiting it with a crude worm made from a piece of Band-Aid, he lowered the hook into the pool on the end of the string. Eventually he landed a fish.

At least he wouldn't starve, he thought, and then he said slowly to himself, "Raw fish!" The idea was revolting, and he started thinking of an alternative. He needed fire, but how could he get fire? The afternoon sun had just begun to hit his side of the canyon, and he had noticed a soft drink bottle near the water's edge. He smashed the bottle against a rock and, using the thick bottom, began to focus the sun's rays on the dry bark of a dead willow. It was a tedious process, but after 20 or 30 minutes, smoke, then flame, began to emerge from the bunch of tinder-dry bark. Later he felt much like a caveman as he crouched over the small fire and licked the last morsel of fish from his fingers.

The sky was beginning to cloud over and his thoughts turned to shelter and sleep for the night. A cooling breeze began to move through the canyon. It occurred to him that he was really a caveman without a cave. Selecting the largest of the rocks scattered on the higher level, he decided to use it as one side of a lean-to shelter. With his knife he cut into the willow stand, and after much bending and pulling and hacking, he managed to produce poles which he used as rafters for his lean-to. He covered them with a mixture of dry bark and grass and decided to hope for the best if it rained.

He kept the fire burning in spite of the smoke the green wood was producing. "Better to have the smoke," he sputtered, "than to be eaten alive by gnats." Besides, it could lead to his rescue if anyone took the trouble to look for him. He became depressed at that thought and began to wonder if he was worth looking for. "Anyone as stupid as I am deserves to be lost," he muttered under his breath. Thoughts of how he could be rescued crowded into his mind until finally he gave up and crawled into his home and went to sleep.

A small bird, seeking its first food of the day, awoke him next morning with its short, sharp cries. He stirred himself with difficulty from his hard bed of sand and grass. Sand seemed to be everywhere -- in his eyes, nose, ears, and throat. His neck was raw with the pressure of damp sand on the life jacket he had used as a pillow. Staggering to the water's edge, he tried to wash the sleep from his eyes and in the process added more sand. "Sand and water everywhere and not a bite to eat," he thought as he tried to locate the canoe.

It was still held securely in the grip of the rocks. In the canoe were the things he needed so that he could exist for a few days at least: canned fruit, beans, flour, a saw, flashlight, matches, and ... he stopped short. He was wasting his time again. The canoe was as worthless to him as his 28 cents. He couldn't make use of things he couldn't get to.

He thought back on the stories he had heard about Robinson Crusoe and the Swiss Family Robinson. They had managed to survive all right, but they had the fortune to land on South Sea islands with plenty of fruit and animal life. He didn't exactly relish the idea of roasted lizard, but if ... well, he decided to wait and see if the day would bring his rescuers.

In the meantime, he set about making himself more comfortable. A few old wooden crates had been washed ashore, and he took them apart using a small rock. He straightened out the nails and used the wood and nails to reinforce the roof of his lean-to.

The fish in the pool were still biting. This time he cooked the fish by wrapping them in layers of wet leaves (and the ever-present sand!). He wondered how many different ways he could cook fish -- dry it, roast it, boil it -- no, he didn't have a pot. He could always preserve it by drying it on a board, but that would only be done if he wasn't rescued shortly. Rescued -- he rolled the word on his tongue as if it were dessert. How much he'd appreciate all the things he had grown accustomed to at home.

Just then he looked up to see in the distance a group of river runners approaching the rapids. Their rubber rafts fairly bounced from wave to wave. Keith rushed to the river's edge and waved his hands wildly. As they approached, they spotted his canoe and then turned to see him jumping frantically on the shore. The runner in the first raft maneuvered the raft into the channel, and Keith almost threw himself bodily on it.

As he recounted the happenings of the last two days to the river runners, Keith was almost too excited to talk clearly. One word kept coming up in his conversation. A weather-beaten man in a Colorado State Game Warden uniform looked at Keith and asked, "Did you say fish?"

"Yes," said Keith, "I caught them in a side pool."

"I suppose you have a license for fishing," the warden asked, with a twinkle in his eye.

Keith felt in his back pocket and pulled out a soggy piece of paper -- his fishing permit. Yep -- his fishing had been legal, fully authorized by the State Game Commission.

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Grade Level: **Sixth**

Concept: **Opportunity Cost and Trade-Offs**

Teacher Terms

All choices involve opportunity cost; carefully considering the costs and benefits associated with alternative choices will improve economic decision making.

Student Terms

Every economic choice you make gives you something you want but makes you give up the opportunity to have something else. Carefully considering these alternatives can help you make decisions that give you the most satisfaction possible.

Objectives

The sixth grade student will be able: **to identify the opportunity cost when given a list of alternatives; apply social and economic factors in decision-making; and list multiple uses of natural, capital, and human resources.**

Focus

1. City councils are called upon to make difficult decisions. Have the students assume the role of councilmen and women. Their city is faced with a major dilemma. A large plot of land is to be developed for the most efficient use.

   One choice is to build a large high-rise apartment building for low-income families. Little inexpensive housing is available in the city, and many families need quality, safe, affordable places to live.

   The second choice is to build a large office building. The city could move its city government offices into the building and lease the extra space to other businesses. A definite need for more office space exists, and the building is certain to fill quickly with tenants.

   Have students meet in groups to decide the best use for the land. In addition to making a decision, they must give reasons for the decision.

Modeled and Guided Practice

1. Tell the students that their school has been given $1000 to use for either new playground equipment or books for the library media center. Brainstorm ideas for how the money could be spent, listing suggestions on the board. Discuss ways the students could come to a final decision. Discuss pros and cons for each choice. Complete a T chart for each:

   Playground
   Pros Cons

   Books
   Pros Cons

   Explain that, when making a decision, we choose one thing or the other. The alternative foregone is the opportunity cost.

2. Divide students into small groups for discussion. Tell them they are faced with a situation of scarcity. The city must decide whether to build a city swimming pool or a playground. For discussion focus, read the following paragraph:

> *The city has set aside a vacant lot to be developed for recreational purposes. One group of citizens has expressed a desire for a large swimming pool for community use. Another group has called for the development of a large playground with swing sets, slides, and benches. Your parents are going to contact city council members to give their input. They have asked for your opinion. Should there be a swimming pool or a playground?*

Have students list the effects of selecting each alternative. Their lists should be divided into pros and cons for each choice. Questions for closure of this activity may include:

- What was the main problem? What was the scarce resource in this situation?
- How many groups chose the swimming pool (playground)? What was your opportunity cost?
- What were some pros and cons of your choice?

3. Have students research two vegetables which could be grown in a backyard garden. Research questions should include growing time, care, cost, etc. Have students prepare a chart showing pros and cons for growing each vegetable. If space and resources permit, planting an outdoor garden would be an excellent reinforcement for this activity.

4. Because of a limited budget, the government cannot provide all of the public transportation facilities (buses, highways, bridges, transit system, etc.) that citizens need or want. Therefore, some of the demand is met by private individuals and firms who provide taxicabs, trucks, limousine services, etc.

The government does, however, spend billions of dollars on highways and their upkeep. Local and state governments build and maintain roads and streets. For instance, large cities such as New York City, Chicago, London, Montreal, and Toronto operate some or all public mass transportation services. Some of these services include bus lines and subways. A brief explanation of taxes would be helpful in answering the question of where the government gets the funds to provide transportation services.

5. Have students give examples of opportunity cost in their daily lives. Opportunity cost is defined as the loss of the next best alternative when resources are used for one thing rather than another.

Independent Practice

1. Identify examples of countries with limited resources.

Examples: Hong Kong -- limited land
Japan -- limited land
Egypt -- limited water

Discuss ways these countries use their limited resources. Why might they have chosen this particular use? What is the opportunity cost of each use? Students should see that limited resources force people to make the most efficient, productive use of these resources. For example, Hong Kong is covered by skyscrapers, banks, housing, stores, and other businesses. Because Hong Kong is so limited in the amount of land, the people have chosen to use their land for buildings. Their opportunity cost would be the next best use for the land. Discuss possible trade-offs that were made.

2. Research various countries and the products they export. For each product identified, identify at least two other uses for the surplus amount of that product. For example: the United States is a major producer of wheat. The U.S. government may sell its surplus wheat to another country, give it to a country, such as Ethiopia, where hunger and famine are problems or store it for future domestic use.

3. Energy resources are often in danger of depletion. Find ways to conserve our limited energy resources. In addition, by choosing to use energy in one way, we are giving up the next best alternative use. Rank the following proposals according to the most efficient use of energy.
   - Require students to wear extra sweaters in the winter and cut back on heating in schools.
   - Let supply and demand (market conditions) set the price of all forms of energy.
   - Increase the age at which a person can get a driver's license to 19.
   - Lower clean air standards so that industries can burn high-sulfur coal instead of oil or natural gas.
   - Ration gasoline so that each driver can obtain only a set amount.
   - Ban the use of recreational vehicles such as campers, minibikes, jet skis, and motorboats.
   - Double the price of electricity and natural gas to discourage residential use.

   Working in groups, answer these questions about their selected proposal:
   - What might be some of the economic costs and benefits of the proposal?
   - What groups of people might gain if the proposal were adopted? What groups might lose?
   - Is the proposal practical?
   - Are the economic costs-benefits of the proposal in conflict with those of other proposals on the list?
   - Why did you give the proposal top rank?
   - What would be your personal costs and benefits if the proposal were adopted?

4. How can we use water wisely? Review this list of estimated water use (adapted from Aquatic Project Wild).

   30 gallons of water equals:
   1 six-minute shower
   1 bath
   8 flushes of the toilet
   10 times brushing teeth or shaving (water left on)
   5 meals prepared and dishes washed
   1 load of laundry washed
   5 minutes of watering the lawn
   1 car washed (water off when not in use)

   Add up how much your family uses in a typical day. What could you do to cut back on water use in cases of shortages? Share decisions.

5. Divide into groups of four. Each group will pretend it is a family. It is the middle of summer, and the weather is hot. No rain for more than a month has caused a shortage of fresh water. The family is allocated 50 gallons of water a day. How will family members use the 50 gallons? What must they give up as a result of the shortage? Through class discussion, students should understand that we incur opportunity costs when we make choices about how to use scarce resources.

Evaluation

1. Students will describe several situations in which it is necessary to make a decision. In each situation, why was it necessary to make a choice?
   - Roberto went to the ballgame Friday night instead of going to his friend's party.
   - Susan bought a fashion magazine with her $2. She could also have purchased a hair ribbon for the same amount.
   - David made a model airplane to sell at the county fair. He spent two free evenings working on the project.
   - Stephanie planned to spend one week at summer camp. Her friend invited her to go to the beach the same week. Stephanie chose to go to the beach.

   Remind students that it is not always necessary to make an all-or-nothing decision. There are times that one may make a trade-off -- give up part of one thing to get part of another.

2. Students will participate in a discussion of spending decisions for Debbie, who is shopping for a field trip. She has $15 to spend. She needs to purchase several items.

   Batteries for her camera - $3.95
   Film - $4.25
   Camera case - $14.50
   School T-shirt - $10

   Students discuss Debbie's four choices for spending, considering several spending combinations. Debbie must be willing to give up some of one thing to get some of another. Possible questions for discussion include:

   If Debbie purchases batteries and film, how many rolls of film could she buy? (two)
   If she purchases a camera case, what would be her opportunity cost? (the next best choice she had)
   Would a trade-off be possible if Debbie purchased a camera case? (no)
   If Debbie bought a school T-shirt, what would be her opportunity cost? (the next best thing she could have chosen)

3. Given a sale booklet (a newspaper insert) or a catalog, students in five minutes will cut out pictures of everything they want. With $50 to purchase as many of the items as possible, students will decide which they will buy and explain which of their choices required a trade-off. They will also explain what their opportunity cost was.

4. Students will write an expressive narrative and a persuasive paper. Ideas for the narrative are:
   - a story about the opportunity cost of being a teacher's pet
   - a story about a child who receives a $10 allowance and the decision he/she makes for spending the money, including mention of an opportunity cost.

   For the persuasive paper, students take a position for or against a situation the school board faces of reducing the lunch period by 15 minutes. (Some students may be for increasing the lunch period time and will need to discuss the trade-off involved.)

Extension

1. Divide students into groups. Assign each group a different natural resource. Resources may include iron ore, aluminum, petroleum, rubber, grain, etc. Have groups list as many products as possible that could be made using the assigned resource. Encourage research using encyclopedias and other information sources. After sufficient time, groups present findings to classmates.

Lead students to see that it may not be possible to produce everything because of a scarcity of resources and that decisions must be made. Remind them that often we make trade-offs and limit production of one item in order to produce some other items.

2. Many children's books are good examples of situations where a choice was necessary. Island of the Blue Dolphins has several such examples. Have students list situations where the main character had to make a decision. In addition to identifying the decision, have them also identify the opportunity cost, the next best alternative.

3. Study opportunity cost of alternative travel plans. (Maps of the United States and Florida, and AAA and Best Western tour books are usually available free from motels and AAA agencies. Menus from popular nationwide restaurants may be acquired from the home office of the restaurant if the request is made on school stationery.) Make charts of the current price of gasoline, estimate the miles per gallon for certain cars, estimate the number of miles to Disney World, and note the entrance fees for adults and children.

Task: Your family has one week, seven days and seven nights, in which you will all be free from school and job demands. You have already agreed that Disney World will be your destination.

a. Compute the cost of traveling to the park by car and by air. Remember to include the cost of motels, gas, and meals for the car trip.
b. Compute the cost of the motel or hotel stay in the Disney World area. Remember that the length of your stay will be determined by how much time you will use traveling.
c. Compute the cost of your family's time in the park, again keeping in mind that the number of days there will depend on the number of days used for travel. Estimate the daily cost of meals.
d. Compute the total cost of the trip by car and by air.
e. Write a one-page summary describing your decisions and the opportunity cost of these decisions. Note that the opportunity cost of these decisions is the second best alternative you considered and is measured by the dollars it would have cost.

Study personal opportunity cost in trip preparation. Task: (Materials needed: several catalogs and their order blanks.) You have $50 to spend preparing for your trip to Disney World. Spend 30 minutes listing all the things in the catalog you would like for the trip regardless of price and use another 30 minutes to complete an order blank, staying within your $50 limit, including the sales tax and shipping charges. When you are finished, write a few sentences on the back of your order describing the opportunity cost of your decisions. Remember that your opportunity cost for any decision is the next best alternative you would have chosen.

Task: Create an imaginary log or diary of the trip you planned to Disney World. Write at least one-page for each day of the week. Describe your travel time and experiences, the places you stayed, the food, and the attractions you visited on the trip and in Disney World. In each entry, comment on at least one choice made by you or members of your family and its opportunity cost (the next best choice you gave up was your opportunity cost). If you have never been to a Disney park, make up the rides and sights to illustrate the way you would like them to be when you finally do make the trip.

Additional Resource Materials

Trade-Offs	Lesson 1 "Choice"
	Lesson 2 "Malcolm Decides"
	Lesson 3 "We Decide"
	Lesson 4 "Give and Take"
Give & Take	Lesson 1 "You Choose: Scarcity and Personal Decision Making"
	Lesson 2 "We Choose: Scarcity and Social Decision Making"
	Lesson 3 "Let's Save: Opportunity Cost"
	Lesson 4 "Creditwise: Opportunity Cost"

- Newspapers
- Magazines
- Catalogs
- World map
- United States map
- Almanac
- Atlas
- Restaurant menus
- "Transportation," by Bettye Renfro and Judy France, Elementary Economist, vol. 10, no. 1, pp. 9, 12
- "An Energy Survey," by Dennis Weidenaar, Using Economics in Social Studies Methods Courses, 1982, p. 14
- "Water: The Resourceful Resource," by Susan Moses, Elementary Economist, vol. 11, no. 2, p. 7
- "Travel Logs," by Susan Naimon, Elementary Economist, vol. 1, no. 2, p. 7

Grade Level: **Sixth**

Concept: **Productivity**

Teacher Terms

Specialization or division of labor usually increases labor's productivity.

Student Terms

When workers specialize, more goods and services can be produced with the same labor.

Objectives

The sixth grade student will be able:

to demonstrate an understanding of the concepts of division of labor, specialization, and the use of capital goods in relation to productivity.

Resource Materials

- Classroom desk or chair
- Newspapers (3-4 sheets per student)
- Pressman's hat directions
- Magazines (collage)
- Reference books
- Encyclopedias

Focus

1. Write the following terms on the board and review their meanings:
    - productivity (output per worker, machine, hour, acre of land, etc.)
    - division of labor (division of areas of work into small segments)
    - specialization (specific task for each member of group)
    - capital goods (tools, machines, etc.)

    Rationale: Division of labor is present in every society and helps explain why people are interdependent.

2. a. Have students name the jobs of their family members, other relatives, and neighbors, or of people they have recently read about in newspapers, magazines, or books or seen on TV. List the jobs on the chalkboard, lead students to the realization that, as a group, they have given examples of the broad division of labor in society.

    b. Next, explain to students, with the help of lists on the board, that the division of labor allows people to perform the tasks at which they are most proficient and simplifies production processes. The division of labor increases the total amount of goods and services available to the economy. Contrast the effects of the division of labor with a situation in which people would try to produce by themselves all the goods and services they need.

    c. Ask the students to apply the concept of division of labor to the school staff. What are some of the different jobs that people do at school? (Lunchroom worker, lunchroom manager, principal, assistant principal, counselor, custodian, teacher, clerk, etc. Note that teachers specialize in certain subjects or grade levels.) How does specialization benefit the student? (A student knows whom to go to about a particular situation or problem. The whole school operates more efficiently. In fact, the school could not operate at all without the division of labor. Something like a one-room school would result without such division.)

Modeled and Guided Practice

1. Review terms:
   - natural resources (raw material)
   - human resources (work activities)
   - interdependence (relying or depending on each other for goods and services)

   Divide the class into groups of three to five students each. Have a desk or chair in front of the room for students to view as an example. Distribute copies or make a transparency of Attachment A. Have each group examine the desk, think about how it was made, and answer the following questions. Pay particular attention to the implications of question c.

   a. What were the steps necessary to change natural resources into a finished chair in your classroom? (Raw materials were secured and manufactured into the components used to assemble the chair. The chair was then assembled, painted or finished, sold, and shipped. Many companies and people were involved. Some contributed the raw materials such as wood, petroleum to make plastics, metal for certain parts; others processed and shipped the materials; someone designed the chair; possibly several companies were involved in manufacturing the chair; one company probably assembled it; and others warehoused, sold, and transported it.)
   b. What kinds of human resources were needed to produce the chair and deliver it to your classroom? (Skilled and unskilled workers in the various companies; truckers; supervisors; designers; managers -- the list can be long.)
   c. How does the division of labor in chair-making make people more interdependent? (One person did not perform all the steps necessary to make and deliver the chair. Many people were involved, with each doing just one portion of the total task of designing, producing, and delivering the chair. Thus the whole process was accomplished efficiently. All the individuals engaged in providing the chair to the school had to depend on the work of others to get the complete job done.)

2. Teach students how to make a pressman's hat (Attachment B). Divide the class into groups with at least one group with only one person. Review directions of how to make hat, but say no more after process begins.

   Tell students that they have 20 minutes to see which group can make the most hats. When the winning team is announced, discuss why specialization worked better than individual work for this project.

3. Use shoe making as an example of an industry that has used specialization and division of labor to its benefit. See Attachment C for discussion purposes. Invite a resource person to the class, e.g., a shoe repairperson. Have the repairperson take a leather shoe apart in the classroom and explain the steps in a shoe's construction.

   Brainstorm other examples of work more efficiently done through specialization or division of labor. Are there examples of labor not suited to specialization or division of labor? Are there disadvantages associated with division of labor? Ask students to make generalizations about the relationships between division of labor and the complexity of an activity.

Independent Practice

1. Make a booklet or collage showing examples of specialization within a job area.
2. Apply the principle of division of labor by planning a specific school event such as an open house or social activity.

3. Conduct an interview with a family member or friend about his/her job and the degree to which it exemplifies specialized labor within that particular field. Report findings to the class. The report could be given in a variety of ways, e.g., a letter, a newspaper feature article, a picture story, or an oral report.

Evaluation

1. Students will select a particular task or job and diagram the steps of specialization and division of labor usually involved.

2. Students will write a how-to paragraph describing the steps involved in the production of some item.

3. Students will define/describe the meaning of production, specialization, division of labor, capital goods, and give examples. They will describe benefits (or possible drawbacks) to specialization as well as effects.

Extension

Have students write and perform a play about a primitive culture discovering the benefits or possible nonbenefits of division of labor, specialization, and machines. The play should draw conclusions. Show cause and effect and predict outcomes.

RESOURCES AND PRODUCTS

Name ______________________________ Class ____________

DIRECTIONS: Carefully examine one of the student chairs in your classroom. Think about how it was made. Then answer the following questions:

a. What were the steps necessary to change natural resources into a finished chair in your classroom?

b. What kinds of human resources were needed to produce the chair and deliver it to your classroom?

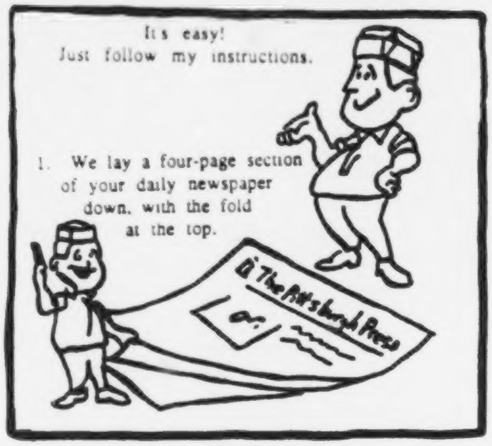
c. How does the production of the chair illustrate the division of labor?

d. How has the division of labor in chair-making made people more interdependent?

Answers/Notes: ____

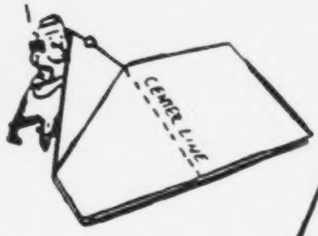
Attachment B

Let's Make A
PRESSMAN'S HAT
With The Pittsburgh Press
or Pittsburgh Post-Gazette

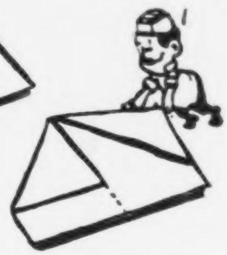

It's easy!
Just follow my instructions.
The Pittsburgh Press

1. We lay a four-page section of your daily newspaper down, with the fold at the top.

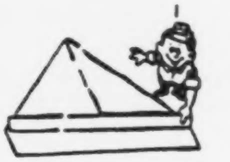
2. Locate the centerline and fold the top left corner down to it.



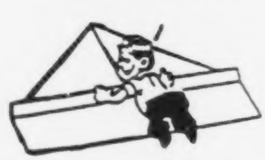
3. Do the same with the right top corner.



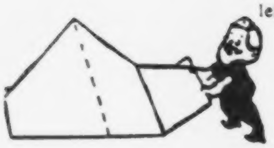
4. Fold up edge of top sheet to the base of triangle and crease.



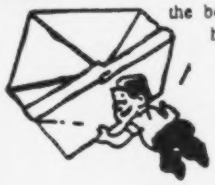
5. Now, fold up again to form hat band and turn hat over.



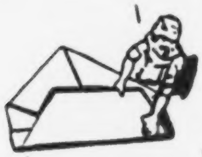
6. Fold right edge 1/2 inch past centerline for average head size. For larger size only 1/4 inch over or to the line. Fold the left side in same manner to right edge.



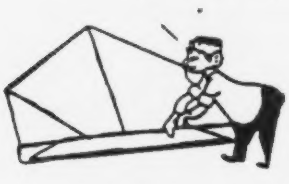
7. Fold lower right and left corners to the bottom of your hat band.



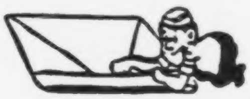
8. Fold entire lower flap above hat band.



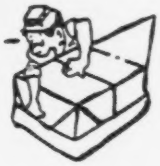
9. Now fold top of flap down and tuck into hat band.

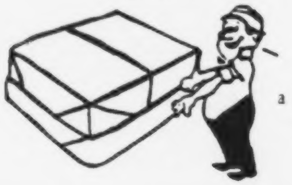


10. Fold the peak down to the bottom of hat band and tuck under the band.



11. Pick up the hat. Open wide and flatten out the top. Fold the peaks down to bottom of hat; crease top edge and tuck ends into bottom.





And there you have a genuine pressman's hat.

A newspaper pressman wears his handsome hat to keep ink and dirt out of his hair, but it has many uses. It can be worn while painting, cleaning or working in the yard or while you're just having fun!

The Pittsburgh Press **Pittsburgh Post-Gazette**

BEST COPY AVAILABLE

Attachment C

A SHOE FACTORY IN 1979

A major shoe manufacturer in the United States today is the J.F. McElwain Company. Founded in 1922, it later became part of the Melville Shoe Company. Today the original J.F. McElwain Comapny and Melville Shoe Company are combined in the Melville Corporation--a firm with sales of more than $1 billion.

Making a Pair of Leather Shoes

Making a pair of leather shoes is complicated. At the McElwain factory in Nashua, New Hampshire, the process is divided into five major steps: cutting, fitting, lasting, bottoming, and finishing. It takes about five days for a pair of shoes to progress from hide to final product. During much of that time the shoes "rest" between steps in order to take the shape of the molds (lasts). Machinery is used in the production of shoes. All the people involved, each skilled in a specialty, take pride in the quality of their work. We will meet some of them as we follow a pair of shoes through the McElwain factory.

Cutting

Rene Melanson, an experienced cutter, begins the shoe construction process. As he carefully plans how to cut a piece of leather, he keeps in mind that the leather in the right and left shoes must match in color, texture, and thickness. Further, he wants to work as rapidly as possible because cutters are paid on a "piecework" basis. Mr. Melanson's union negotiated a contract for him and the other workers at McElwain. The contract states that he and the other cutters will be paid a set amount for each piece they cut. Therefore, the more they cut, the more they get paid.

Fitting

Amid the machine-gun-like clatter of stitching machines, workers skillfully shape the pieces of leather into a complete upper as they sew it together at incredible speeds. Lena Burgess, a master stitcher with 26 years on the job, stitches together the upper parts of a shoe in about 25 seconds. Speed counts because, like Mr. Melanson, Ms. Burgess is on piecework. A good stitcher or cutter earned as much as $7 per hour in 1979. But the quality of the work is just as important as the speed. If Lena Burgess makes a mistake, the shoe upper has to be redone or even discarded.

A sense of touch is important in a shoe factory, as are judgment, depth perception, and coordination. At the Nashua plant, most stitchers are women. The quality of work they do is very important to the entire process of making shoes. Any difficulties in the stitching operation will slow up the entire plant.

Before it becomes part of the shoe, the upper is usually reinforced in the back and the toe. A stiff "counter" holds the back of the shoe and a "toe box" strengthens the front.

While Lena Burgess and the other employees are working on their tasks, other shoemakers are preparing insoles, outsoles, heels, and other parts of the shoes. To avoid mixing up parts, the workers use different racks for each size and type of shoe. These parts, along with the finished uppers and the lasts (shoe molds), are wheeled on racks into the lasting room.

Lasting

Lasts are shoe molds used to shape the upper part of a shoe. Separate lasts are made for the right and the left shoe, and they are produced out of plastic, although a few wooden lasts remain in use. Everyone's feet are different, and to fit the different sizes of feet, lasts have been made in more than three hundred sizes and widths. However, most shoes are not made in every size and width.

Uppers and lasts come together in the Nashua factory at the lasting machines operated by "backpart molders." One of them is Jane Dicento. Ms. Dicento is just starting her second year at the factory, and she takes great pride in her work. Standing before the lasting machine, she removes a shoe upper from a rack and places it on a last. When she steps on a pedal, pincers grab the edges of the upper and pull them under the bottom of the last and around the insole. At the same time, the upper is quickly cemented to the insole. This is done first to the back part of the shoe and then to the front part. In one motion, without hammering nails or backbreaking labor, the machine does what it took old-time shoemakers hours to do.

Bottoming

The rack of shoes goes next to the bottoming department. Richard Carlson, a shoemaker with eight years' experience, skillfully roughs off the highest bumps on the bottom of the shoe. This insures a proper grip for the cement used to attach the reinforcement and the outer sole. The reinforcement, called a "shank," is a piece of steel, plastic, or wood about four inches long, which is found in the center of the shoe. Without this reinforcement, a shoe would soon collapse.

The next step is to put the outer sole on the shoe. Bernice Pohle operates one of the sole-laying machines nearby. Ms. Pohle places the sole on the machine and the lasted upper on the sole. A press that applies nearly 200 pounds of force pushes the last down on the sole, and the upper and the sole are cemented together. Although the bonding is done in about 12 seconds, the cement is so strong that it will hold the sole and the upper together for the lifetime of the shoe. The last can now be removed from the shoe.

After examining shoes with leather soles, the reader may conclude that the accurately rounded and finished appearance of the soles indicates they were cut out by machine to an exact fit. But they were not. A very skilled worker called an "edge-trimmer" used a special machine to carefully cut away the excess sole. Edge-trimming is done without using gauges or other measuring devices. Rather, the operator holds the shoe against a two-inch cutter blade rotating 10,000 times a minute and does the job entirely by eye. A mistake here could ruin the entire shoe. It takes many years to learn the skills needed to be an edge-trimmer. Robert Polinka, the supervisor, waited 10 years to get and edge-trimmer's job.

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Making Leather from Cattle Hides

Leather, which is made from the skins of animals, has many desirable qualities. It is composed of millions of interwined fibers that give it strength and flexibility. It also has the ability to "breathe." The air spaces between the fibers let perspiration escape to keep feet relatively dry, but also provide enough insulation to keep feet warm. It's hard to tear a piece of leather or punch a hole in it. The qualities of synthetic materials generally don't match those of leather.

Most leather for shoes is made from the skin, or hide, of cattle raised for meat. In the slaughterhouse skilled workers quickly but carefully remove the hides from the carcasses. After removal, the hides are kept from rotting by soaking them in water containing salt and other chemicals. They are then shipped to the tannery.

Tanning is one of the oldest manufacturing activities. Egyptians tanned hides more than 5000 years ago. Although the results are the same, today's tanning process is much changed from that of the ancient Egyptians. The chemicals are different, and machines perform much of the work. As a result, the process is faster; whereas it once took at least six months to tan a hide, it now takes about 20 days. Still, tanning remains an art that requires time and the care and skills of many people--from leather workers to chemists with advanced degrees.

The major steps in tanning are removal of remaining hair and flesh, chemical treatment to prevent the skin from decaying, and finally, dyeing and finishing. The shoe manufacturer's specifications for the color, grain, thickness, and type of leather determine the details of the process.

Grade Level: **Sixth**

Concept: **Economic Systems**

Teacher Terms

In a command system, a central authority makes decisions about the production and distribution of goods and services.

In a market system, decisions about the production and distribution of goods and services are made by individual households and businesses following their own self-interest in the marketplace.

Student Terms

In a command economy, some entity like the government decides what to produce, how to produce, and for whom to produce.

In a market economy, individual consumers and producers make decisions about what to produce, how to produce, and for whom to produce as they seek what is best for themselves while buying and selling in the marketplace.

Objectives

The sixth grade student will be able: **to describe characteristics of each type of major economic system. (command and market)**

Resource Materials

- Encyclopedias
- Reference books on various countries
- World map (atlas)
- Magazines
- Newspapers

Focus

1. Begin a discussion with students about things they and their families want. Start to distinguish between things we want and things we get. Discuss possible reasons we do not get all the things we want. Eventually the reason, "not enough money," will surface. To encourage discussion, have students list 10 things they want and estimate how many of these things they are likely to get in the next month.

2. Transport the class (via "magic") to a desert island where they have been shipwrecked with nothing left. They only have shreds of their clothing -- no glasses, no fillings in teeth, no food, and no shelter. Draw the island on the board. Draw a lagoon with fish and a coconut palm with coconuts growing high up in the tree. These are the natural resources. Ask the students what they want to produce to get their island society going. Ask which foods they want to produce. Ask how the foods can be produced (fish with hands, with a net made of palm leaves, sharp sticks, etc.; coconuts by climbing tree, shaking tree, building a human pyramid, etc.) Ask who will get the food and how much each person will get. (Will workers get all, or will everyone get some whether or not he/she works? Will people with harder jobs get more than people with easier jobs? Review that these same decisions -- what to produce, how to produce, and for whom it is produced -- are made by people in all societies and that these decisions form the basis for the type of economy. Emphasize that the way they make the decisions is connected with the type of economy they have, but that all economies make these decisions. (This is a good place to introduce the fact that few economic systems are pure in type.)

Modeled and Guided Practice

1. Write ECONOMIC SYSTEMS on the board. Beneath that term, write TRADITIONAL, COMMAND and MARKET. Ask if students have an understanding of how each type of system works. (Traditional means that decisions about production are made based on tradition and custom.) Review others.

2. Pass out copies of the graph or make a transparency of Countries A, B, & C (Attachment). Ask students to look at Country A's economy in 1951.
   a. What percent of goods produced was agricultural? Manufacturing? Service?
   b. What percent of the work force is engaged in farming? Factory work? Services?
   c. Which workers make up the largest percent of the work force? Smallest percent? Why might this be?
   d. Would you describe Country A's economy as industrially advanced or traditional farming? Rich or poor? What would it be like to live there?

   Repeat questions for 1980 data. Then ask:
   e. How has Country A's economy changed over the years? Explain.
   f. In what direction (agricultural or industrial) is Country A's economy moving? How can you tell?

   Give students time to look at data for Country B. Ask the same questions as above for A. Have students form small groups, compare A and B and answer these questions:
   g. Which of the two countries is technologically more developed? How can you tell?
   h. Which of the two countries is developing more rapidly? How can you tell?
   Ask students: Is it possible to tell by this graph if Country A has industrialized under a command or market economy? What would be the difference between the two possibilities?

3. Discuss the following questions:
   - Are there any countries in the news that are undergoing changes to their economic systems? (discuss examples)
   - Can you think of any situation in which a command economy might be desirable? (during war or crisis; when a country needs to develop rapidly)
   - What problems might a command economy cause for a developing country? (encourage government abuse, corruption and decrease people's motivation to work)

   How is competition a key factor in a free market system allowing for profit, and providing consumers with more choices.

Independent Practice

1. Individually or by groups, research the economic system of an assigned country.

2. Make a chart contrasting in as many ways as possible the major economic systems.

3. Write a paragraph or essay describing how your everyday life would be different living within a traditional or command economy.

4. Write or tell how the ideas of profit and private property relate to each major economic system.

Evaluation

1. Students will name and describe characteristics of the three major types of economies. Compare/contrast free market and command economy. They will explain mechanisms for obtaining goods and services in different economic systems and describe how different economic systems work in different countries today. Students will describe how the three economic questions (how? what? for whom?) are answered in the following types of societies:
   a. Traditional societies of the past or present such as Europe in the Middle Ages, native American tribes before the arrival of European settlers, or rural villages of the less-developed countries today.
   b. Command economies of the past and present such as the mercantilist nations of early modern Europe or communist nations of the present time.
   c. Market economy of countries such as the United States, Canada, or Japan.

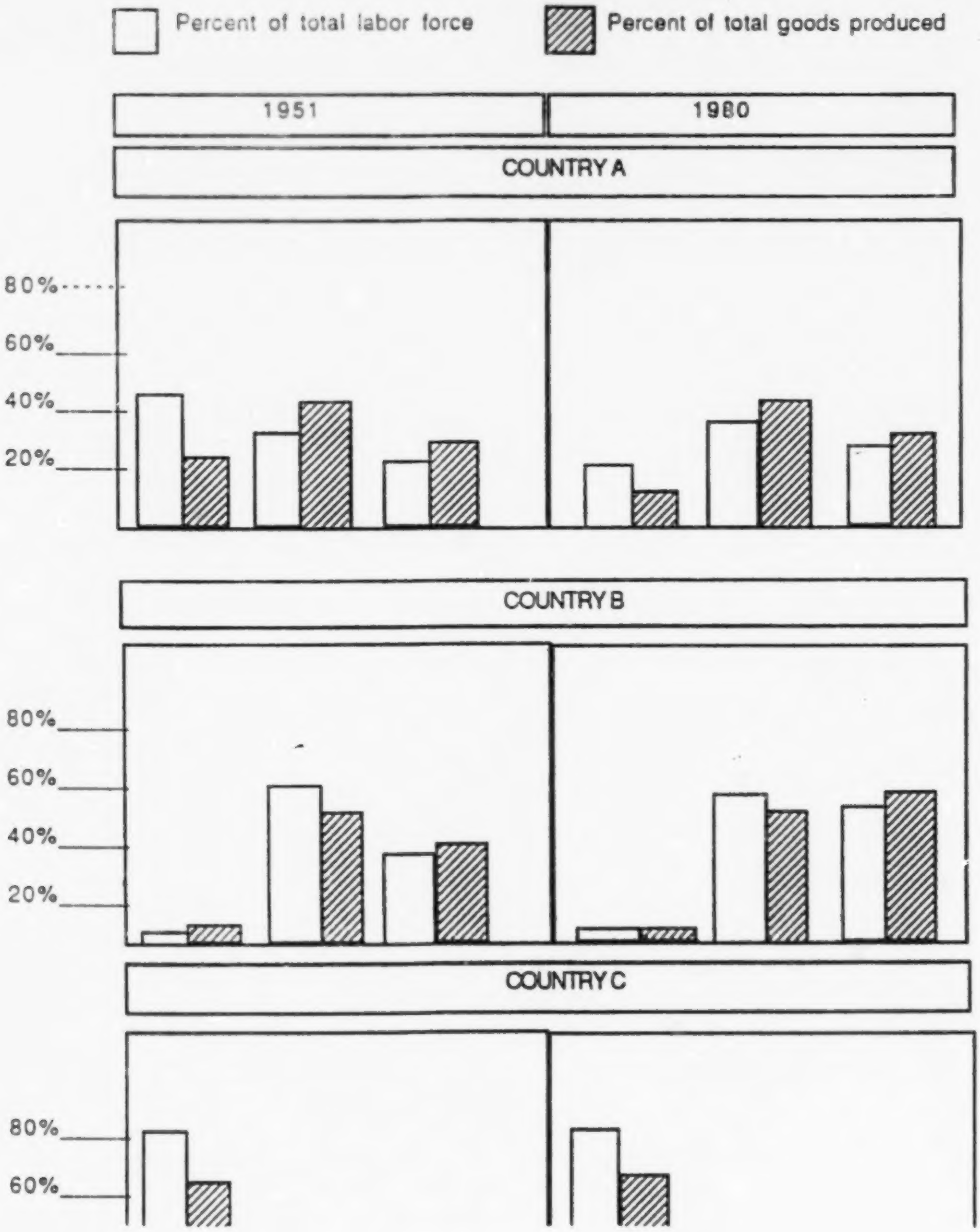
Extension

1. Have students explore the role of advertising in the free market system. Have them collect advertisements for different goods and services. Have them point out ways in which the ads try to increase demand for the product or service advertised. Have students judge how honestly the ads represent the products or how effectively they sell the products.

2. Divide the class into small groups which will start imaginary small businesses. Have each determine which goods or services it will sell, what production costs might be, and what price to charge for the product. Have each group produce an advertising campaign for its product which could be presented to the entire class.

Attachment

Labor Force and Output by Economic Sector



Grade Level: **Sixth**

Concept: **Economic Institutions and Incentives**

Teacher Terms

A market economy is likely to have a number of different institutions that interact. Each one has its own incentive(s) for its actions. A powerful incentive in the market system is to achieve financial or material gain and to avoid loss.

Student Terms

The most basic institutions in a market economy are households and business firms. Other important institutions are labor unions, trade and professional organizations, banks and other financial institutions, and government and nonprofit organizations such as foundations. The incentive for almost all of these institutions is self-interest and profit.

Objectives

The sixth grade student will be able:

to identify and compare types of business organizations and institutions; explain purposes and activities of labor unions; define and illustrate the role of consumers and producers in a market economy; and describe economic incentives.

Resource Materials

- Newspapers
- United States map
- Telephone book yellow pages
- Business management representative

Focus

1. Provide students with the following information. Review the types of business organizations. Given the information, students will:
   a. draw a bar graph comparing the number of businesses in each type of business organization
   b. draw a pictograph depicting the profits for each type of business organization
   c. research past years. Students draw a line graph comparing the growth of each type of business organization.

BUSINESSES AND PROFITS

Type of Business	Number of Businesses	Total Profits
Single Ownerships	9.3 million	$33 billion
Partnerships	1.0 million	$10 billion
Corporations	1.6 million	$66 billion

2. Ask students, "What would you do if no matter what you did in this class you knew you would get a grade of 'A'? A grade of 'F'? Do people need an incentive to get them to do things such as study, work, sing, play baseball, etc.?" Lead the class to conclude that everybody needs some incentive--money, self-esteem, school pride, etc.

Modeled and Guided Practice

1. Discuss the term "minimum wage" with the students. Review the roles labor unions and government have played in determining minimum wage. Use an almanac to research changes in the minimum wage over the last 50 years. Have students draw a line graph tracing these changes.

2. Have students assist in researching statistics concerning employment in the United States. Areas for research include:
   a. percentage of male and female workers
   b. percentage of workers by age category

   Have students compare employment statistics by years, e.g., how has the percentage of female workers changed over time? Why might this have happened?

3. List the top five of the Fortune 500 largest corporations. This information can be obtained from Money magazine or Fortune magazine. Discuss with the students why these companies are successful. Why do they work hard to be the best? The students could request copies of annual reports from these companies.

4. List the five top-paying occupations. Discuss with the class why people in these fields earn a lot of money? This information can be obtained form Money magazine. Lead students to conclude that incentives are important for businesses and individuals.

Independent Practice

1. Obtain telephone book yellow pages or a business and government edition of the telephone book. Contact businesses to determine whether the businesses have one owner, two or more owners (partnership), or stockholders (corporation). An alternative would be to interview people in business to determine the type of businesses they own or work for.

2. Review the different types of business organizations and their incentives. Select two businesses in your community with different organizations. Compare and contrast the way they were formed, the way they operate, and their incentives.

Evaluation

1. Students will list and describe four types of economic institutions, e.g., consumers, households, business, and government. Describe how each receives its income and how each uses its income.

2. Students will describe the purpose served by each of the following institutions. They will also list examples of each institution (preferably found in your area)--corporations, partnerships, proprietorships, cooperatives, labor unions, banks, government organizations, nonprofit organizations.

3. Students will list economic incentives that have recently affected their behavior such as taking a part-time job (mowing lawns, delivering newspapers, etc.) to get money to buy something they want.

Extension

1. Conduct a poll in your classroom of how many students' parents are members of labor unions and how many are management. Have students interview their parents asking the following questions.
    - What do labor unions do?
    - Who do labor unions represent?
    - What power do labor unions have?

2. Divide students into groups, with each group taking the role of a corporation. Each group should determine the purpose of the corporation -- what does it produce?
    a. What capital tools are needed?
    b. What natural resources are used in production?
    c. What human resources are needed?
    d. What incentives would be offered for the operation of the corporation?

Grade Level: **Sixth**

Concept: **Exchange, Money and Interdependence**

Teacher Terms

Money encourages specialization and interdependence, decreasing the opportunity costs of exchange.

Student Terms

Money encourages people to specialize and become interdependent because they can sell what they produce to anyone, not just to someone who has something they want. This tends to increase total production.

Objectives

The sixth grade student will be able: **to demonstrate an understanding of how money encourages increased production and economic interdependence.**

Resource Materials

- Two colored markers
- Six pencils
- Two rulers
- Two scissors
- Four 50¢ pieces of play money
- Construction paper
- Class set rulers
- Encyclopedias
- Books about money

Focus

1. Ask students why people buy and sell goods and services. (Individuals cannot produce everything they need, consequently they exchange the things they can make for goods and services other people produce.)

   Explain the difference between barter and trade using money. In barter, people directly exchange specific goods or services only for other specific goods or services. With the use of money, specific goods and services are traded for money that can then be exchanged for any other goods or services. The use of money makes it easier for people to trade for what they need or want because the coincidence of wants is not required.

   Ask students to describe exchanges they, their friends, or parents have recently make and then have them classify the transactions as barter or money exchanges.

2. Select two trader groups of four students each. Remaining students act as observers of the trading sessions. Group One will be a barter group and must conduct the trades listed below. Put the following trades on the chalkboard.

Player	Has	Wants
A	1 compass	3 pencils
B	3 pencils	1 ruler
C	1 ruler	1 scissors
D	1 scissors	1 compass

a. After the trading session, ask the traders:
   (1) What problems did you have trying to make a trade? (difficulty in finding someone who was willing to exchange what traders possessed for what they wanted)
   (2) How did you solve the problem? (made several trades to get what was desired)

b. Ask the entire class:
How might the trading have been made easier? (by using money in the trading process)

c. Group Two will conduct the same trades but will be able to use money (50¢ pieces of play money). Each player is willing to sell the item in the Has column for 50¢ and is willing to buy the item in the Wants column for 50¢.

Player	Has	Wants
A	1 compass + 50¢	3 pencils
B	3 pencil + 50¢	1 ruler
C	1 ruler + 50¢	1 scissors
D	1 scissors + 50¢	1 compass

d. After the trading session, ask the class:
   (1) In which round was it easier to make a trade? (The second should have been easier, since money is generally acceptable and does not require the correspondence of wants in the way barter does.)
   (2) How does the use of money facilitate the trading process? (It is convenient to use and has general acceptability.)
   (3) What is one attribute of money? (Money is anything that can be widely used as a means of payment; that is, it is a generally accepted medium of exchange.)

3. Tell students that money is also a measure of value, a means of storing value, and a standard of deferred payment. Ask them for examples of how money functions in these ways. (Possible answers are: measure of value -- money expresses the value of goods and services in terms of prices. One shirt may be valued at $8 and another at $16; store of value -- money can be saved to be spent in the future; standard of deferred payment -- money may be borrowed, or loaned, for repayment in the future.)

Modeled and Guided Practice

1. a. Show the class a loaf of bread, and say you paid $1 for it. Ask them, "Where did I get the dollar?" (from salary as a teacher) "From where did the money for my salary come?" (all the citizens/taxpayers in town) "From where did the taxpayers' money come?" (their salaries) "Who pays them?" (their employers) "Where do employers get their money?" (from money made in their particular businesses, etc.) For example, for a grocery store, show students the cycle of how money flows through the society from one individual, group, or company to another. (Draw the cycle on the chalkboard.)

   b. Display the loaf of bread again. Ask students where the loaf of bread came from. (store) "Where did the store get it?" (The bakery delivered it.) "Where did the delivery person get it?" (from the bakery) "Where did the bakers get it?" (they made it) "Who made it?" (the bakers) "How did the bakers make it?" (They used flour, shortening, other ingredients, and baked it in an oven.) "Where did the flour come from?" (flour company) "Where did the flour company get it?" (from the flour mill) "How did the miller make the flour?" (bought machines to grind the wheat) "Where does the miller get the wheat?" (buys if from farmer who grows it)

Have students describe how difficult these transactions would be without the use of money. Draw a flow chart showing the process and transactions that took place. Be sure to show money payments going in the opposite direction of each trade.

2. Have students make a diagram that shows how the making of one product requires the input of various types of labor, products, services, resources, etc. (Example: A student spending $1 for a hamburger at a fast food restaurant.)

Independent Practice

1. Read the poem "SMART" (Attachment). Work out the math and compare the results with other students. Roleplay the poem using actual currency. Write a paragraph on whether or not the poem would still work if the boy were bartering items rather than exchanging money.

2. Write a story or poem (individually or in small groups) about how money represents the value of things. Illustrate poems or make them part of a bulletin board display.

3. Investigate the many forms that money has taken throughout history such as seashells, rocks, beads, etc. Deal with the issue of money's value as intrinsic vs. extrinsic.

4. Make a collage of different forms of tokens used as money.

Evaluation

1. Students will list five goods they would normally buy at a store. For each item they will explain a plan of action they would use to obtain this item if they lived in a society whose money had suddenly lost all value. They will describe major problems they would face.

2. Students will write a story about what might happen if the United States had no monetary system. They will consider the following in each story:
   a. What problems would people living in a city face?
   b. What kinds of problems would people living in a rural area have?
   c. What purpose would money serve in each area?
   d. How long could our country (or any country) exist without a monetary system?

3. Students will describe situations in which money exchange or bartering is the most efficient process. They will give reasons for conclusions.

Extension

1. Have students create cartoons showing problems of trade without money. Collect cartoons from students along with those found in magazines or newspapers and create a book or bulletin board.

2. Have students research money as a medium of exchange in ancient civilizations (Greek, Egyptian, Chinese).

SMART

My dad gave me one dollar bill
'Cause I'm his smartest son,
And I swapped it for two shiny quarters
'Cause two is more than one!

And then I took the quarters
And traded them to Lou
For three dimes--I guess he don't know
That three is more than two!

Just then, along came old blind Bates
And just 'cause he can't see
He gave me four nickels for my three dimes,
And four is more than three!

And I took the nickels to Hiram Coombs
Down at the seed-feed store,
And the fool gave me five pennies for them,
And five is more than four!

And then I went and showed my dad,
And he got red in the cheeks
And closed his eyes and shook his head--
Too proud of me to speak!

Grade Level: **Sixth**

Teacher Terms

Relative prices provide the key signals used by consumers and producers to answer the three basic economic questions: What to produce? How to produce it? Who will consume it?

Concept: **Markets and Prices**

Student Terms

Higher prices for a product lead producers to produce more but consumers to buy less. Higher prices for productive resources lead to lower output of the products they produce or substitution of other cheaper resources.

Objectives

The sixth grade student will be able: **to describe characteristics and functions of market prices.**

Resource Materials

- Pictures of items that illustrate things students want
- Brochures of many different cars and estimated prices
- List of grocery items with numerous brands
- Recent news magazines and newspapers
- Encyclopedias
- Oranges (one per class)

Focus

1. Have pictures of goods students are likely to want ready to show the class (bicycle, soccer ball or football, stereo, radio, TV, skates, skateboard, skis, tennis racquet, sport shoes, etc.). As pictures are shown, ask students whether they would like the items. Tell them these are examples of wants. Ask students to name other items they would like to have, and write names of wants on the chalkboard. Conclude by pointing out that their wants seem to have no end or limit. Ask students if there are enough resources in the world to produce all these things for all people in the world who might want them. Point out to students that productive resources include raw materials, workers, and factories.

2. Ask students which items would have a higher price -- those that are scarce or those not scarce. Have them identify items with higher prices based on relative scarcity from the following pairs: diamonds/salt; steak/hamburger; gold/silver. Use an illustration about a parking space at a professional football stadium on a day when there is an official game being played vs. a day when the team is practicing. On which day would space be more scarce? On which day would you expect to pay a higher parking fee?

Modeled and Guided Practice

1. Distribute copies of "The Best in Dining Out" (Attachment A) and have students read the article silently. Ask students to explain how prices are determined for the snakes. Have them explain why Americans would not pay such prices for snakes, especially to eat. Have students research Korea to find out how plentiful snakes are and what kind of diet people are accustomed to eating. Have students create a short Korean menu and a short American menu with prices for each item. Compare and contrast reasons for higher and lower priced entrees.

2. Auction off an orange to the students. Make the auction dramatic to spark student interest. After completing the auction and giving the orange to the highest bidder, ask how many others would like oranges. Tell students you will supply some, but first you want to determine the demand for the oranges. Ask how many would pay 30 cents per orange (count), 25 cents (count), 20 cents (count), etc. Ask if the demand and willingness to pay higher prices would vary between an 8:30 a.m. class and an 11:30 a.m. class. Tell students to suppose the demand for oranges is so great that you are eventually selling a substantial number for 50 cents each. The teacher next door begins to supply apples at 30 cents each. What will happen to the price of oranges? Why? Ask students for examples of other goods and services that could be substituted, e.g., bus rides for taxi rides, chicken for beef, hamburgers for hot dogs, video rentals for theater movies, bicycles for cars.

3. Distribute copies of "A Nation on Wheels" (Attachment B). Read aloud or take turns with students reading sections. After reading, ask the following questions:
   a. In the early 1900s, cars were expensive in relation to average incomes. New cars costing $1,500 were as much as most people's yearly income. Why were production costs so high?
   b. Henry Ford revolutionized the production process through the use of the assembly line. What happened to the price of cars? Why?
   c. General Motors was in competition with Ford. GM sold more cars in 1925 than Ford. Why?
   d. Foreign auto manufacturers began exporting a large number of cars to the United States in the mid-50s. What need did foreign manufacturers fulfill for the consumer?
   e. What car-related industries grew or developed as a result of the rise of the auto industry?

Independent Practice

1. Work individually or in teams of two on this activity. Visit a local supermarket and compare various choices for a particular item. Make comparisons and decide which is the best purchase, then present results to the class. Each team should choose one product with many brands available (peanut butter, facial tissues, dry dog food, shampoo, dishwashing detergent, pickles, crackers, etc.). Use the survey sheet (Attachment C) and do the following:
   a. find your particular product in the store
   b. look for all the brand names
   c. compare prices of the same or similar size/quantity using the survey sheet.

Back in class, figure the cost per unit of measure on each brand item.

EXAMPLE: Creamy Peanut Butter

Economy Brand:	Skippy:
89¢ for 18-oz. jar	$1.80 for 18-oz. jar
$\frac{.89}{18}$ = .049 or 4.9¢ per oz.	$\frac{1.80}{18}$ = .10 or 10¢ per oz.

Review the results and discuss comparative shopping.

2. (The teacher should display copies of various automobile brochures on the chalkboard or around the room, and should have plenty of brochures available. These brochures should contain information about various cars as well as approximate prices.) Decide which you like best and

why. Participate in a roleplay, drawing one of the situation cards (Attachment D). Share ideas do research, before completing Attachment E.

3. Read the "Sagebrush Fable" (Attachment F). Discuss the fable with other students and then write your own fable to demonstrate marketprices, supply, and demand.

Evaluation

1. From a list of paired items, students will identify which items will have higher prices than others and explain why in terms of relative scarcity.

2. Students will state the economic reasons for what happened in each of the following situations:
    a. The price of peanuts rose. Consumers bought fewer peanuts, and farmers decided to plant more peanuts. Why did consumers and farmers behave the way they did?
    b. The price of oil fell. Consumers drove more, and oil drilling companies reduced their exploration for new oil. Why did consumers and oil producers behave the way they did?
    c. Create a graph or diagram to illustrate how market demand and scarcity have affected the price of a good or service.

Extension

1. Find and list items in the news dealing with fluctuating market prices caused by scarcity, change in demand, and substitution of different resources.

2. Write a story, song, or poem about the adventure of price in the market.

3. Design a real or hypothetical business to produce a good or service. Research demand for the product, associated costs, market price, etc.

Attachment A

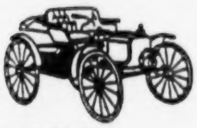
THE BEST IN DINING OUT...

MANY KOREANS LIKE SNAKE MEAT. RESTAURANTS THERE USE IT IN MANY DIFFERENT DISHES. CUSTOMERS ARE OFTEN GREETED WITH A DISPLAY OF PICKLED SNAKES IN JARS, OR LIVE SNAKES SLITHERING PLAYFULLY IN GLASS BOWLS. KOREANS NOT ONLY LIKE SNAKE MEAT, BUT THEY BELIEVE THAT SNAKES ARE ALSO GOOD FOR MANY AILMENTS. ALSO, EATING SNAKE MEAT IS SUPPOSED TO INCREASE A PERSON'S LIFE SPAN.

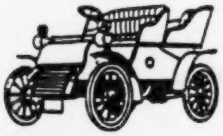
SNAKE MEAT IS EXPENSIVE. A YELLOW PYTHON, VALUED FOR GOOD HEALTH, MAY COST AS MUCH AS $400. A RARE ALBINO SNAKE, PRIZED FOR LONGEVITY, MAY COST AS MUCH AS $5000.

A NATION ON WHEELS

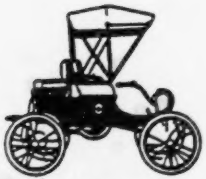
Americans were bicycle crazy in the late 1800s. Of course, they wanted good roads on which to ride bicycles. As the number and length of roads increased, so did an interest in long-distance travel. Bicycle makers and mechanics added electric motors and, later, gasoline engines to bicycles, tricycles, and quadricycles. These pedal-free vehicles became the first cars.


1902 Olds

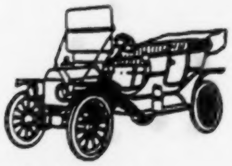
Early cars could travel five miles per hour. By 1903, some cars could race along at 12 miles per hour. The engines of these "horseless carriages" were strapped under the body, the steering was done by tiller, and the wheels were quite large. Owning a car was expensive. The price of early cars was $1,500, which was as much as many people earned in a whole year. In addition, each year that same amount would generally be spent to keep the car running.


1903 Cadillac

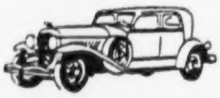
Americans owned 8,000 cars during those early days. Cars were usually considered a luxury that only the rich owned. In 1908, Henry Ford ordered his company to manufacture a single type of car, the Model T. The Model T sold for $850. At this low price, many more people were willing and able to purchase cars. The Model T was stylish and more comfortable than the earlier cars. The customer could order the "Tin Lizzie" in red, pearl grey, or Brewster green. Ford sold 10,000 Model T's. Later, from 1912-1924, the Model T was available only in black.


1910 Duryea

Ford believed that consumers wanted a car that was easy to repair and could go almost anywhere. They also wanted a car that was not expensive. Henry Ford lowered the price of the Model T to $300, and in 1921 one million cars were sold. He was able to bring the price of cars down by using a revolutionary manufacturing method--the assembly line. Each worker had a specific job to perform. This production method produced a better-quality car much faster and more cheaply. Steel form Iron Mountain, Michigan, glass from Minnesota, and tires made from Brazilian rubber were all delivered to the factory.

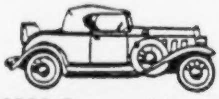

1911 Model T

Henry Ford was not the only manufacturer; competition existed. By 1925, General Motors (GM) was selling more cars than Ford. General Motors united several car firms, each specializing in a different type of car. Some consumers demanded comfort, others wanted luxury, and some wanted the fastest car. General Motors also bought companies that produced motors, spark plugs, electrical equipment, and other necessary parts.



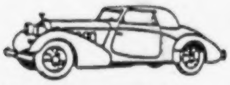
1930 Sedan Limousine

General Motors believed that more cars could be sold if more varieties were available. Cars were heavily advertised, encouraging people to buy, and GM was even willing to arrange loans for customers to buy cars. Cars were available in different price ranges. Car styling was changed each year, and extras, or options, could be added to any GM car. Some of the options, could be added to any GM car. Some of the options available included radios, ashtrays, cigarette lighters, and clocks. Cars could be ordered in many colors, unlike the Model T. GM also improved cars each year by adding heaters, windshield wipers, and four-wheel brakes.



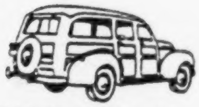
1932 Convertible Cabriolet

Ford developed an efficient way to produce cars which increased productivity. This brought prices down so that more individuals could afford cars. GM produced many different kinds of cars, giving the consumer more choices. By 1929, 4.6 million cars were produced by car manufacturers in America. In just 30 years, the automobile was no longer a fad.



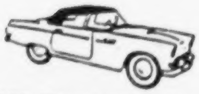
1938 Convertible Coupe

The Great Depression of the 1930s resulted in massive unemployment. The auto industry was hard hit until the middle of the decade. During this time, hundreds of car manufacturers went bankrupt. Slowly, car sales picked up, and by 1935 the car industry was showing signs of recovery. A new problem for the car manufacturers developed during the winter of 1936-1937. GM production was crippled by sit-down strikes. The company and the United Auto Workers (UAW) finally agreed to a contract. These labor problems also affected all car manufacturers and car-related industries.



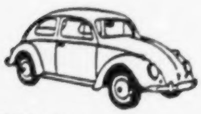
1941 Chevy Station Wagon

During the 1940s, the United States was involved in war. Car manufacturers turned their production form cars to military needs. They produced engines, guns, tanks, trucks, aircraft, helmets, fire extinguishers, and belt buckles to help the country win World war II.



1955 Thunderbird

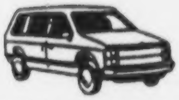
When the war ended, the demand for cars was enormous. Americans had money to spend and demanded cars faster then they could be produced. Suddenly, there was a shortage of cars. In the '50s, most Americans seemed to want large cars with plenty of chrome, upholstered interiors, hi-fi radios, and plenty of horsepower. Car prices rose during the '50s, but consumer demand remained high.



1960 V.W.

Some consumers, however, wanted smaller cars, and foreign producers provided them. American manufacturers did not respond well to consumers' preference for smaller cars. Between 1955 and 1960, sales of foreign-made cars (imports) in the United States rose from 58,000 to 499,000! The size and the high prices of American cars had driven many customers to look for plain, less extravagant, small cars. This is an example of how consumers can influence what is produced. It is

1984 Toyota Celica



1984 Van/Wagon

sometimes called sovereignty. Consumers are voting with their dollars whenever they buy something. If producers are to be profitable, they must respond to the preferences and wishes of the consumer. American manufacturers tried to respond to this new consumer demand by building smaller cars. But they were loaded with options and larger than the foreign cars. The American car producers were not meeting the wishes of many consumers.

High gasoline prices in the mid-70s caused more consumers to demand more fuel-efficient cars. Foreign car makers again responded better than United States manufacturers.

Today consumers still want high-quality, fuel-efficient cars. They also want cars that have four-wheel drive and more comfort and space than the subcompact cars of the '70s. United States auto manufacturers have responded better to these new demands. Although a large number of imports are purchased in America each year, sales of U.S.-made cars have increased since the '70s. One thing is certain--automobiles will keep changing and improving in response to changes in consumers' tastes and values. To be successful, automobile manufacturers will have to respond to these changes.

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Attachment C

NAME:____________________ DATE:____________________

PARTNER:__________________ STORE:____________________

NAME OF PRODUCT:________________________

BRAND	PRICE	QUANTITY	COST PER UNIT

Attachment D

SITUATION CARDS

You are the mother of four children looking for a second car. Your husband usually drives the car to work daily. You are also a Girl Scout leader. Your family income allows about $7,000 to be spent for another car.

You are a single school teacher who raises rabbits as a hobby. You live about 25 miles from your school. Your income allows about $8,000 for a new car.

You are a family doctor who enjoys playing in golf tournaments on your day off. You own a four-door sedan. Your income allows about $15,000 for a new car.

As a 30-year-old accountant, you are looking for a new car to take you to areas where you can enjoy backpacking. You live alone and can afford about $10,000 for this purchase.

You are a college student who lives at home and drives daily to classes. Your father has offered to give you $7,000 for your first car because your grades last semester were straight As.

As a recent college graduate, you have just been hired by a large business firm. You still live at home and can afford $8,000 for a new car. You feel it is important to impress the boss.

As the father of four children, you and your wife enjoy part-time farming on your 40 acres of land. You each drive a car to your daily jobs. You are able to spend about $10,000 on a third vehicle.

You are a young married person. You and your spouse live on the third floor in an apartment building within walking distance of work, stores, and theatres. Your income allows you to spend about $6,500 for your first auto.

You and your spouse are retired. Traveling is what you both really enjoy. You own one car. Your retirement income allows about $10,000 for a new car for your yearly trips.

You are a host for a network television talk show. Your hobby is collecting sports cars. Your income does not limit what you are able to spend on your next car.

As a small-town librarian, you do not travel long distances but attend many evening meetings. You live with an aging parent. Your income allows $6,000 for a new car.

As a sales person, you drive 45,000 miles per year. The new car that you purchase will be used strictly for business trips throughout the United States. You are allowed to spend $10,000 for it. All gasoline and repair costs are covered by the company. The product that you sell is American flags.

Attachment E

WHAT CAR WOULD YOU CHOOSE?

Directions: After reading a situation card, describe the person (consumer) making the car purchase. (Think about the type of person this might be, and give more detail to the character. Use your imagination!)

Based on the description of the person described in your situation card and the additional characteristics given to the person, consider each of the following questions as factors that help him/her select a car.

Name: ______

How many cars in your family? ______

Do you have a garage available? ______

Is repair service convenient? ______

Are you able to repair or service the car yourself? ______

How many miles per gallon do you want your car to get? ______

What options do you want your car to have? ______

What type of interior? ______

How will your car be used (normally)? ______

Based on your occupation, what is your economic level? ______

Is there another car you might like but cannot afford? ______

Is "Buy American" important to you? ______

Are you concerned about saving natural resources or concerned about pollution? ______

The car you decide to buy: ______

Reasons: ______

______

The car you would not buy: ______

Reasons: ______

______

Attachment F

THE SAGEBRUSH FABLE

By Marilyn L. Kourilsky--University of California, Los Angeles

Once upon a time there was a little town named Sagebrush Seca. It was hot and dry all year round, and nothing but sagebrush would grow. One especially hot summer, when it felt like a hundred suns were beating down and the ground was so hot that people were using the cement to fry eggs, a clever scientist named Knick-Knack created a fantastic ice-cream machine that would make delicious chocolate ice-cream at the push of a tiny button. In fact, it could make one hundred scrumptious ice-cream cones before it would wear out.

When Knick-Knack ran to downtown Sagebrush with the very first two ice-cream makers he made, he stood in front of the biggest market in town and shouted, "Look here folks, I'm selling two ice-cream makers that will make the coldest, tastiest chocolate ice-cream cones you ever ate!" Hot, hungry Sagebrush folks began to crowd around Knick-Knack and his invention. He pushed the button and out came a cold frosty chocolate ice-cream cone. Eyes popped out and mouths drooled. "How much?" shouted a large man in front. "Five dollars, and I only have two ice-cream makers right now." "Two," the big man gasped. "Well, five dollars is a lot of money, but since the weather is so hot, it's worth it. "I'll buy one." And his belly shook with delight. Then everyone began shouting, trying to get the very last ice-cream maker.

The quantity demanded was greater than the quantity supplied, and people began to bid the price up. "I'll give you six dollars." "I'll give you seven dollars." "I'll give you eight dollars." "No, I want it; I'll pay 10 dollars!" "Sold," said Mr. Knick-Knack. Mr. Knick-Knack quickly sold the last one and hurried home to make more for all the unhappy people who didn't get one. "Oh, my," said Mr. Knick-Knack, "I am so happy. The quantity demanded for my ice-cream makers was greater than the quantity supplied, and people bid my price up from five dollars to 10 dollars. I think I'll supply hundreds of ice-cream makers to meet the demand." Mr. Knick-Knack at once began making ice-cream makers. He even hired 10 men to try to make sure that there would be enough machines to meet the demand for them. Mr. Knick-Knack made so many machines that people were no longer standing in line for them. In fact, he had a hard time selling any at the higher price. He found, however, that at three dollars per machine people were willing to buy as many machines as he was willing to produce. At that price supply equaled demand. There were no unsatisfied buyers or left-over machines, and Mr. Knick-Knack was certainly happy. He yelled, "I have found the equilibrium price," and the townspeople joined him shouting, "Yea, equilibrium, yea, equilibrium."

Grade Level: **Sixth**

Concept: **Supply and Demand**

Teacher Terms

Demand shows the relationship between the price of a product and how much of the product people are willing and able to buy in a given time, if other factors remain unchanged. Supply shows the relationship between the price of a product and how much of the product producers are willing and able to sell in a given time, if other factors remain unchanged.

Student Terms

Demand is the schedule of how much of something consumers are willing and able to buy at all possible prices in a given period of time, if everything else stays the same. Supply is the schedule of how much of something producers are willing and able to sell at all possible prices in a given period of time.

Objectives

The sixth grade student will be able:	**to identify factors contributing to changes in product demand and supply.**

Resource Materials

• Trade-Offs	Lesson 10	"To Buy or Not to Buy"
	Lesson 11	"To Sell or Not To Sell"
• Give & Take	Lesson 9	"Market Prices: Supply and Demand"
	Lesson 10	"Changing Market: Supply and Demand"

- Newspapers
- Magazines

Focus

Provide each student with an imaginary account of 100 coins (or some other currency name). Have available several small candies (such as mints, Jolly Ranchers, etc.). Tell the students you will sell several of the candies at different prices. Ask the students how many they would be willing to buy at 100 coins each? 80 coins each? 60 coins? 40 coins? 20 coins? With each response, tally the number of students who would be willing to buy. With each amount, the number should rise. For example:

Amount	Number of students willing to purchase
100 coins	2
80 coins	5
60 coins	9
40 coins	12
20 coins	20

Explain to the students that demand is the schedule of how much consumers are willing and able to buy at all possible prices in a given period of time.

As the price decreases, the quantity demanded will increase. As you are doing the activity, tell the students that the number you are willing to sell decreases each time you lower the price.

Amount	Number of candies you are willing to sell
100 coins	35
80 coins	30
60 coins	20
40 coins	10
20 coins	5

Explain to students that supply is the schedule of how much producers are willing and able to sell at all possible prices in a given period of time.

Modeled and Guided Practice

1. Conduct a discussion on fads and fashions and how these are related to supply and demand. Have students research goods and services that fall into each of the following categories: Find a product that:
   - decreased in demand since 1900
   - increased in demand, 1980 - 2000
   - decreased in demand, 1980 - 2000

   This activity can be broken down in other ways. For example, find a product that:
   - decreased in demand after 1945 (end of World War II)
   - increased in demand after the birth of Henry Ford and the Wright Brothers

   Review with students the fact that changes in demand will often be reflected in prices. In addition, changes in demand may bring about a need for new products. Have students research products developed in the last 50 years. Identify factors that may have caused a need for these products.

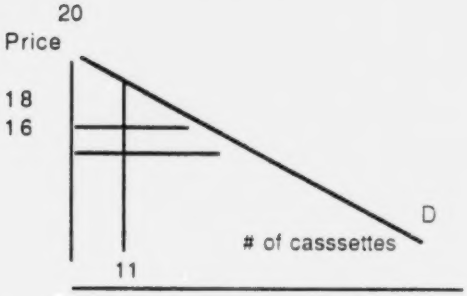
2. Discuss with students what items are most popular when they go shopping with a parent. Ask students how many of them have recently purchased a compact disc or cassette tape or other item. Draw a chart on the chalkboard similar to the one below:

Price	Total number of cassettes
$20	
$18	
$16	
$14	
$12	
$10	
$ 4	
$ 2	

Ask students how many cassette tapes or compact discs they would purchase at each of the amounts, beginning with $20. Some students may say they are willing and able to buy more than one tape at a particular price. If that is the case, have them show the exact number by holding up that number of fingers. With each figure, record that number on the chalkboard.

Through discussion, students should see that they are more willing to buy a larger quantity of cassette tapes at lower than at higher prices. Discuss the inverse relationship between price and quantity, e.g., as price increases, the quantity demanded of a product will decrease and likewise, as price decreases, the demand for a product increases. Draw a demand curve on the chalkboard similar to the one below. (The chart is an example; use the figures given in class.)

Price	Total number of cassettes
$20	0
$18	1
$16	1
$14	3
$12	5
$10	8
$ 8	12

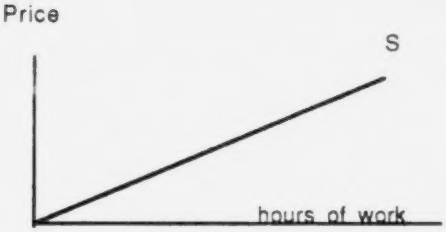


3. Tell students you need a worker to mow and rake your yard. Your going rate is $1 per hour. Draw the following chart on the board.

Price per hour	Hours of work supplied
$1	

Ask the students to raise their hands if they are interested in the job. Record that number of students in the right hand column. Ask the students how many of them would be interested if the price were $2 per hour. Record those numbers on the chart. Help the students to see that as the price per hour rose, the number of hours supplied also rose. Draw a supply curve on the board similar to the one below. (The figures given are an example: use the figures given in class.)

Price per hour	Hours of work supplied
$1	4
$2	8
$3	10
$4	14
$5	17
$6	21



4. This activity can be done independently by the students if they have been given ample prior instruction. Otherwise, it is best done as a class activity with the teacher as the guide. Which demand curve would you choose to explain the following? See Attachment for choices.
   a. Vital Corporation's gymnastic equipment has just been proven safer than all other brands. (2 -- quantity demanded will increase at all prices, therefore the demand curve will shift to the right.)
   b. Taxes have increased greatly, giving people less money to spend on school supplies. (4 -- quantity demanded will decrease at all prices, therefore the demand curve will shift to the left.)
   c. The price of roller skates has just increased greatly. (3 -- quantity demanded will decrease because the price is higher; therefore, a new point is reached to the left on the same demand curve.)
   d. People continue to drink the same amount of Sizzle Fizz regardless of price. (5 -- at every price the same quantity is demanded, therefore the demand curve is vertical. This can occur over a small range of prices.)
   e. A great crop of cocoa has lowered the price of chocolate. (1 -- quantity demanded will increase due to the decrease in price, therefore a new point is reached to the right on the same demand curve.)

f. Scientists have discovered that Pleasantville's water is polluted. Most people want to buy bottled spring water. The price of spring water has been set by the city council and cannot be lowered or raised. (6 -- since the price remains the same regardless of the quantity demanded, the demand curve is horizontal.)

Independent Practice

1. Read each of the following situations and answer the question posed at the end. Assemble in small groups to compare your answers and discuss your reasoning. Afterwards, participate in a class discussion.
   a. Carlos has a paper route. He uses his bicycle to deliver the papers to his customers. He earns two cents for each paper he delivers. Carlos can earn three cents per paper for each of 25 new subscribers to the newspaper. If you were Carlos would you try to get the new subscribers? (Yes, that is, if 75¢ per day additional income exceeds your opportunity cost for the use of your time.)
   b. Carlos sold 25 new subscriptions. How much more money does Carlos earn each day than he did before he sold the new subscriptions? Should Carlos try to get even more new subscribers? (75¢; it depends on his opportunity cost.)
   c. Because he now has more papers to deliver, Carlos finds that there is more wear and tear on his bike tires. If a new bike tire costs $15, and Carlos calculates he will need a new one every two months, should he keep the extra 25 subscribers? (yes) Should he if he had to replace the tire every two weeks? (no)
   d. Carlos' paper route used to take him an hour after school. Since he added the 25 customers, the route now takes him an hour and a half. If Carlos adds another 25 customers, he will make more money, but the route will take him two hours. What is Carlos' opportunity cost of adding more new customers? (one half hour)

   Note that in situations a and b, Carlos wants to increase his production because of the law of supply: he is willing to produce more at a higher price than at a lower price. In situation c, Carlos has to consider his costs of production in relation to increasing his production. If these costs increase faster than the price he receives, he will decrease his production. This situation also illustrates the idea of diminishing returns: at some point, it will not be profitable for Carlos to increase his production due to simultaneously increasing costs, e.g., the loss of free time, of Carlos' increasing production.

2. Soft drinks are a product that is associated with a younger population. Review the following information. (1977 data)

Age	Soft drink consumption	Percent of total population
13-24	50%	29%
25-44	35%	32%
45-over	15%	39%

Discuss whether or not these figures hold today and why or why not. Conduct a survey of friends and relatives to determine soft-drink consumption in your area. To get a broad picture, survey as many people as possible. Prepare a survey form similar to the one below:

Name	13-24	25-44	44-over

Record the number of soft drinks consumed per week by each person surveyed. During class discussion, compare differences in the quantity demanded by each age group. In addition, compare the data gathered with the 1977 statistics.

Evaluation

1. Assume that the school cafeteria begins selling fresh orange juice during lunch. The juice quickly becomes a popular item. Discuss how each of the following factors would affect demand for the juice. (D -- decrease in demand and I -- increase in demand.)
   - a. A new study indicates that illness can be prevented by drinking orange juice daily. (I)
   - b. Several students during a lunch period complain that their juice tastes bitter. (D)
   - c. The milk supply for the week is not sufficient for the daily lunch crowd. (I)
   - d. The price of orange juice rises after a hard freeze. (D)
   - e. The cafeteria offers a "buy 1 get 1 free" offer on milk. (D)

   Discuss how each of the following factors would affect the supply of juice:
   - (1) A bad freeze one winter affects the citrus states. (D)
   - (2) The cafeteria sponsors a Juice Week and sells four other juices instead of orange juice. (D)
   - (3) Northern states discover a new process for growing orange trees in cold climates. (I)
   - (4) Citrus farmers find that growing cotton is more economical than growing oranges. (D)

2. Students should realize and be able to explain that changes in demand affect the price of goods. Either orally or through written expression, have students explain each of the following examples.
   - A major department store conducts a half-price sale on winter coats during the month of February.
   - Beach toys are sold "two for one" in September.
   - A trip to Galveston is cheaper in January than in July.
   - 1992 automobiles are less expensive than 1993 automobiles even though both are for sale on the same lot at the same time. (When using this example, use whatever years are current.)

3. Given one or more of the following situations, have students write a short paragraph to tell what would happen to:
   - the price of catfish if the government announces it has discovered that "one ounce of catfish a day will keep the doctor away"?
   - the price of catfish if the government announced that the first statement was a mistake, in fact, "less than a pound brings the doctor around"?
   - the price of toothpaste if, because of a shortage of tubes, the supply of toothpaste is cut in half?
   - the amount of lamb chops bought if the price is tripled?
   - the amount of chicken bought if the price is cut in half?
   - red and blue shoes produced if U.S. men are willing to pay $50 a pair?
   - the price of diamonds if they could be made in a chemistry lab?
   - the price of roller skates if the president says that using them for transportation would cut down on pollution?
   - the number of televisions bought if the price were cut in half?

4. Have students prepare short skits to illustrate the following situations. Each skit should have a conclusion for the best possible ending.
   - A seller has a product on sale that the buyer doesn't need.
   - A seller has a product for sale that costs more than the buyer wants to pay.

- A seller has a useful product on sale for a low price.
- A seller has a popular product on sale for a high price.
- A seller has a supply of a popular product that no other business in the area has.

Extension

1. Invite a merchant from the community to class to discuss some of his/her business habits with the students. Ask him/her to share how he/she decides which items to order, how much to order, what prices to charge, and when to put items on sale and for how much.

2. The Olympic games create a demand for a wide variety of goods and services that are directly related to the games. These include sportswear and equipment, ticket-takers, and scorekeepers. They also create a demand for other goods and services that are indirectly related to the games--hotel rooms, sunglasses, parking, beverages, printing, and limousine services.

   Divide the class into groups of three and call each group a team. Tell the class that the members of each team must list all of the businesses and jobs they can think of that will be needed during the Summer Olympics. Allow 10 minutes. When time is up, compare each team's list. Award points for each response and extra points for unique listings.

   Now ask each team, "If you were business partners given the opportunity to start a business that would provide a good or service needed for the Olympics, what business would it be?" Members of each team must decide together, then develop a business profile describing its company to the Olympic Committee. The profile should include the following information:

   OLYMPICS BUSINESS PROFILE

   Type of business:____
   Names of owners:____
   Identify product/service:______________________________________
   Describe product/service:_____________________________________
   Why product/service is needed:_________________________________
   Why people are willing to buy it:_______________________________
   What resources are needed to produce this product/service
   (labor, natural, machinery/equipment):_________________________
   What amount will be charged for the product/service:_____________
   Number of people to be employed:______________________________
   Location of business and why:_________________________________

   Review with students the fact that some businesses create a demand for other businesses (Support Business 2). Have one team member present his/her team's business profile to the class. Ask each business team if it might want or need the product or service of another business in the room (e.g., uniform maker, delivery firm, fast food restaurant, TV camera operator, motel owner, construction company). Colored yarn may be used to connect each business that depends on some other business or service. Students should recognize the interdependence of people not only at the Olympics but throughout society because businesses/people provide specialized goods and services to the marketplace.

3. Ask a representative of a local manufacturing firm or a farmer to talk to the class about why production is increased or decreased. In agricultural areas, the students can listen to market reports on commodity futures and predict changes in production accordingly.

4. Each student is to select someone who owns a car and ask him/her the following question: "If the price of gasoline were to go up 10¢ per gallon, would you be likely to use your car as much

as you do now, a little less often, or seldom or not at all?" Repeat the question four times using 10¢, 20¢, 50¢ and $1, and record responses on a table such as the one below:

	Increase in price			
Use your car:	10¢	20¢	50¢	$1
as much as now				
a little less often				
seldom or not at all				

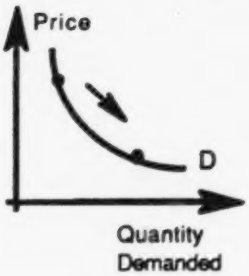
When everyone has completed the survey, record all figures on one table. What happens when the price goes up? What do you think would happen if the price goes down? Using the figures computed, decide how much you would have to increase the price per gallon of gasoline if you wanted to greatly decrease the amount of gasoline being used? What has the price of gasoline got to do with the kinds of cars people buy?

Additional Resource Materials

- "Society vs. Scarcity," by Bonnie Meszaros, Elementary Economist, vol. 1, no. 1, p. 6-7
- "Recess Plots," by Robert Littlefield, Elementary Economist, vol. 2, no. 1, p. 7
- "Newspaper Supply," by Carol Allen, Elementary Economist, vol. 2, no. 2, p. 6-7
- "The Olympic Product," by Ted Hagen, Elementary Economist, vol. 5, no. 3, p. 11

Attachment

1



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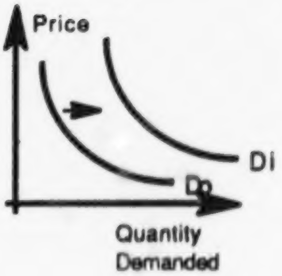

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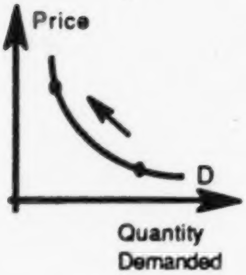

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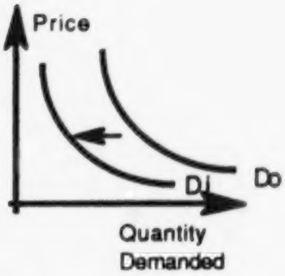

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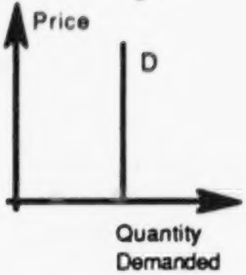

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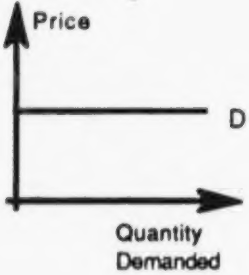


Grade Level: **Sixth**

Concept: **Competition and Market Structure**

Teacher Terms

A market is made up of all the buyers and sellers of identical or similar products. If there is only one seller of a product that has no close substitute, the market is called a *monopoly*.

Student Terms

The people who buy and sell the same or similar things form what is called a market. Markets can be local, regional, or worldwide. If there is only one seller, it is called a *monopoly*.

Objectives

The sixth grade student will be able: **to define and give examples of competition and monopoly in a market economy.**

Resource Materials

- Give & Take, Lesson 12, "Why Competition? Market Structure"
- Newspapers (with grocery sale pullouts)
- Magazines
- Research materials (encyclopedia, almanac, etc.)
- Resource speakers: business owner, auctioneer, realtor
- Facts of Summer, "Creative Competition" by Nancy Gerardi, ELEMENTARY ECONOMIST, vol. 6, no. 2, p. 11

Focus

With the following activity, students will become aware that competition takes many forms.

Tell the students a short story: "One hot summer day, a group of neighborhood friends opened a lemonade stand. Their business was doing so well that during the next week four new stands opened; all the stands competed for business." Why? If you were the owner of one of the stands, would you compete to gain a bigger share of the business. How would you compete?

List responses on the chalkboard. Responses should be at least a partial list of ways that businesses compete (advertise, add new product lines, improve quality, lower prices, give free gifts, provide services/delivery). Tell the students they have just listed some of the different ways that businesses compete for a greater share of the market.

Modeled and Guided Practice

1. Using cooperative learning, assign groups of students a set amount of money to be invested in the stock market. Explain to the students what the stock market is, how it works, and how to read the reports in the newspaper. Then have each group follow its investment in the newspaper for a specified time period (suggest two weeks). Have students graph the activity of their stock.

2. Name several industries. Students should identify corporations that are a part of each industry and discuss how each corporation (firm) within each industry competed against other firms. Magazines and newspapers may be helpful resources. Some example industries are automobile, truck, fast food, frozen food, and clothing.

3. Review the definition of the term monopoly: only one producer sells a product that has no close substitutes. Discuss with the students the need for certain monopolies. Public utility companies such as electricity, gas, and water, are natural monopolies but they are regulated by government instead of by competition because this is considered a more economical way of serving customers.

Divide students into four groups. Have each group research one of the laws passed to prevent monopoly and ensure competition:

Law	Date passed	What economic activity caused the law to be passed
Sherman Act		
Clayton Act		
Federal Trade Commission Act		
Robinson-Patman Act		

Independent Practice

1. To observe alternative buyer choices, study advertisements featuring words that companies hope will sell their products. These "sell words" are used to describe the products and influence buyers. Using magazines and newspapers, design an all-encompassing sales poster. After cutting out phrases and captions, glue them in collage-format, designing an interesting, colorful poster.

2. To learn about price and nonprice competition, do the following activity. As a class, decide on two television programs to watch on a given evening. During these programs, make a list of all the advertisements you see. List the products and the type of products they are.

   Bring the lists to class, and discuss whether the advertisements are using price or nonprice competition. Nonprice competition includes style and quality differences, advertising, customer services, and credit policies.

3. With the class list competitors in the fast food industry. Participate in a class survey to determine which is the favorite. Discuss reasons you like the businesses. Prepare charts comparing the operations:

Business	Specialty Items	Price Range	Special Promotions
McDonald's	Egg McMuffin Big Mac	.99-1.99	Games (Wheel of Fortune) Songs

4. After collecting data on community fast food restaurants and the prices they charge for similar food items, draw conclusions about the relationship of the number of restaurants to the prices charged.

Evaluation

1. Students will make a list of advertisements they see on television or in the newspaper. Students will record the name of the product and the nature of the ad. Did the ad mention price or did the ad feature nonprice competition?

2. Given telephone directories and newspapers for the area, students will identify several industries in the area -- local and state -- and tell whether these industries operate in international, national, regional, or local markets.

3. Students will identify each statement as a situation of competition or one of monopoly.

(c) We have the best prices in town.
(c) Our bank is friendlier.
(m) There is only one veterinarian in the county.
(c) Vegetables are fresher at Fred's.
(m) The only telephone answering service is Clang's.
(m) The only department store in town has helpful service and excellent goods.
(c) We give better terms, lower prices.
(m) You can teach only with a credential.
(m) Stoves are all $346.72 at every store.
(c) We stay open longer than any other grocery store in town.

Extension

1. Invite a local business person to the class to talk about his or her business. Have the person identify characteristics of monopoly and pure competition within the business and give reasons the business is more one than the other.

2. Have students interview merchants to determine what factors influence their price-setting policies. Included in their interviews should be questions concerning what happens when items are unpopular and remain on the shelf for a long time. (They go on sale.)

Grade Level: **Sixth**

Concept: **Income Distribution**

Teacher Terms

The four basic categories of earned income are wages, rent, interest,and profit.

Student Terms

People earn income by selling productive resources. Wages and salaries are payments for labor; rent is the payment for land (natural resources); interest is the payment for financial capital; profit is the payment for entrepreneurship.

Objectives

The sixth grade student will be able:

to describe the basic categories of earned income (wages, rent, interest, and profit) and how it relates to the value of work.

Resource Materials

- Crayons or colored pencils
- Newspapers and news magazines

Focus

1. Write the term "earned income" on the board. Ask students to define the term (as money received through some type of work). Under earned income, write the terms "wages and salaries," "rent," "interest," and "profit." Through discussion, help students identify wages and salaries as payment received for labor, rent as payment received for land or natural resources, interest as payment received for the use of capital or money, and profit as payment for entrepreneurship. Help students understand that an entrepreneur is someone who takes risks in business hoping the result will be profit.

2. Either draw on the board or distribute copies of the circular flow chart (Attachment A). Tell students that this is one way to show a simple overview of how a market economy operates. Owners of resources (families and individuals) supply the services of their land, labor, and capital to business firms in exchange for money income payments in the form of wages, salaries, rents, interests, and profits. Owners of the resources in turn use income payments to purchase the finished goods and services supplied by the business firms. Business firms then use the proceeds from these sales to pay the resource owners for the services firms receive from using the resources.

Modeled and Guided Practice

1. Copy the following chart on the chalkboard and discuss.

LABOR		ENTREPRENEUR	
Advantage	Disadvantage	Advantage	Disadvantage
no risk guaranteed wage	no decisions work for others	possible profit make decisions	risky may lose money

2. Ask how many students have ever visited a McDonald's restaurant. Ask them to describe the decor. Discuss how similar each franchise is, and ask students why they think this is so. Explain that when an entrepreneur buys a franchise he/she must conform to certain standards but is free to add certain personal touches that make the establishment unique. Distribute copies of the article, "A McDonald's Coins Big McMoney" (Attachment B). Read the article together and discuss the risks and rewards of entrepreneurship.

3. Have students redefine profit. Pass out copies of the diagram of profit (Attachment C). Discuss how natural resources, capital, labor, and taxes affect income, resulting in a profit or loss. Ask students to draw their own diagrams illustrating the factors involved in profit.

4. Tell students the following story

   Roberto and Tiffany are on summer vacation. They would like to earn some extra money before each goes on a trip with the family. A park near their houses is having a week-end balloon festival, and they could work at a stand filling small helium balloons for $1.50 per hour. However, they've decided instead to try to operate their own business. Since Roberto's house is on the corner directly across from the park, they've decided to open a lemonade stand. Rudy, a friend of theirs, overhears the plan for a business and asks if he can join the group. Roberto and Tiffany remind Rudy that he could take the security of hourly wages filling helium balloons, or he could work for them at $1 an hour, or he could take a chance and receive one-third of the lemonade stand's profits after costs.

   Ask students what they would do if they had to make Rudy's choice. Have them provide reasons for their answers. Now continue the story.

   Since the concession stands in the park were selling cold drinks for $1, Roberto and Tiffany priced their lemonade at 50 cents to be competitive and attract business. The stand they rented cost $10 per day, and they will use it Friday, Saturday, and Sunday. They invested $30 in paper cups, lemon concentrate, and ice. Their stand will be open from noon to 6 p.m. on Friday, Saturday, and Sunday. The first day, they sell 100 glasses of lemonade; the second day, 120 glasses; and the third day, 140 glasses of lemonade. After the cost of rent and resources, what is the profit of Roberto and Tiffany's business? ($180 - $60 = $120 profit)

As it turns out, Rudy took the job filling helium balloons for $1.50 per hour. He worked six hours on Friday, Saturday, and Sunday. What was the total of Rudy's wages? ($27) How could Rudy, Tiffany, and Roberto receive interest on their money?

5. Remind students of the differences between a command economy and a free market. (In command, the government sets production amounts and prices. Free market is give and take from supply and demand.) Pass out copies of the "Comparative Standard of Living" chart. (Attachment D) Discuss with students the similarities and differences of wages for Russian and American manufacturing workers. Compare prices for different goods (such as hamburger, soap, lipstick, pantyhose, shoes, suit, refrigerator, car). Ask students why they think Russian wages cannot easily buy such goods. Does profit play a role in a command economy? In a free market, how does profit affect prices?

Independent Practice

1. In the following problems, determine the expenses and net profit (profit after expenses) of each business.

   a. Sally and Karen run a babysitting business throughout their summer vacation. At the end of the summer, they had babysat for 120 hours. If they charged 75 cents an hour for babysitting, what was their net profit? ($90)

   b. Bob and Larry started their own lawn-care service for the summer. They planned to divide their profits in half. Larry's father agreed to let them use his lawn equipment for no charge but said they would have to pay for the grass bags and the gasoline to run the lawn mower. Bob and Larry charged $15 per lawn. By the end of the summer, they had mowed 100 lawns and purchased 20 gallons of gasoline at $1.20 per gallon and 25 packages of lawn bags at $2 each. What were the total expenses encountered by the boys? ($74) What was Larry's net profit? ($713) What was Bob's net profit? ($713)

   c. John and Marsha started a dog-walking service during the summer. Unfortunately things did not go too well for the team. They started out charging $1 per dog walk. By the end of the summer they had walked 25 dogs. However, on one trip one of the dogs got loose and ran through a woman's vegetable garden. John and Marsha agreed to pay her for damages, and she later presented them with a bill for $15. On another occasion one of the dogs ran away, and the owner demanded the children pay her the $25 she had paid to buy the dog. It was time for Marsha and John to go back to school and close their business. What were their expenses in the job? ($40) What was their net profit? ($-15) (A negative profit is called a "loss.")

   d. Mark and Candy decided a great summer job would be to collect aluminum cans and resell them to scrap collectors. They knew they could get 30 cents per pound, and Candy's mother agreed to take them to the scrap collector at no charge. After collecting their first 150 pounds, they decided to expand their business. They told their two younger brothers, Joey and Jeffrey, they would pay them 15 cents a pound for cans they collected. By the end of the summer, Mark and Candy had collected another 300 pounds, and Joey and Jeffrey had collected 200 pounds. After returning from the scrap collector, how much money did Mark and Candy have? ($195) How much money did they owe Joey and Jeffrey? ($30) What was their net profit at the end of summer? ($165)

2. Learn the meaning of "per capita income." (total income of a group divided by the total number of working people) Read "Personal Income Per Capita, by States 1980." (Attachment E) Rank the states by per capita income. (1 = highest p.c.i.; 50 = lowest p.c.i.) Each state's ranking should be written in the blank space to the left of the state's name. The top third of the states

in per capita income are those ranked 1-17, states 18-34 make up the middle third, and the remaining states make up the bottom third. Study an outline map of the United States (Attachment F). Determine a color coding to be used, e.g., highest third, red; middle third, blue; lowest third, green. Complete the map, looking for regional patterns. Write a brief report on any patterns you observed and propose possible reasons for the existence of the patterns.

3. Write an essay or story about what effects one or more of the following might have on the overall economy.
   a. No more people are willing to farm.
   b. Because of health concerns no one is willing to work in a mine.
   c. The nation has suffered for three years from alternate periods of drought and flooding.
   d. There is no place to take the mountains of garbage created daily.

4. Interview 10-20 people about what kind of work they did as young persons and how it relates to the jobs they do now. Ask how many are happy with their jobs now and why or why not. Ask for the reasons they perform their present jobs. Graph or chart survey results. Note any patterns that may appear for further analysis.

Evaluation

1. Students will define the four basic categories of income and give an example for each category.

2. Students will interview five people and classify their sources of income as wages, salaries, rental income, interest payments, or profits. They will create a graph to show results.

3. Give students a blank circular flow chart (Attachment A) to complete (label and illustrate).

Extension

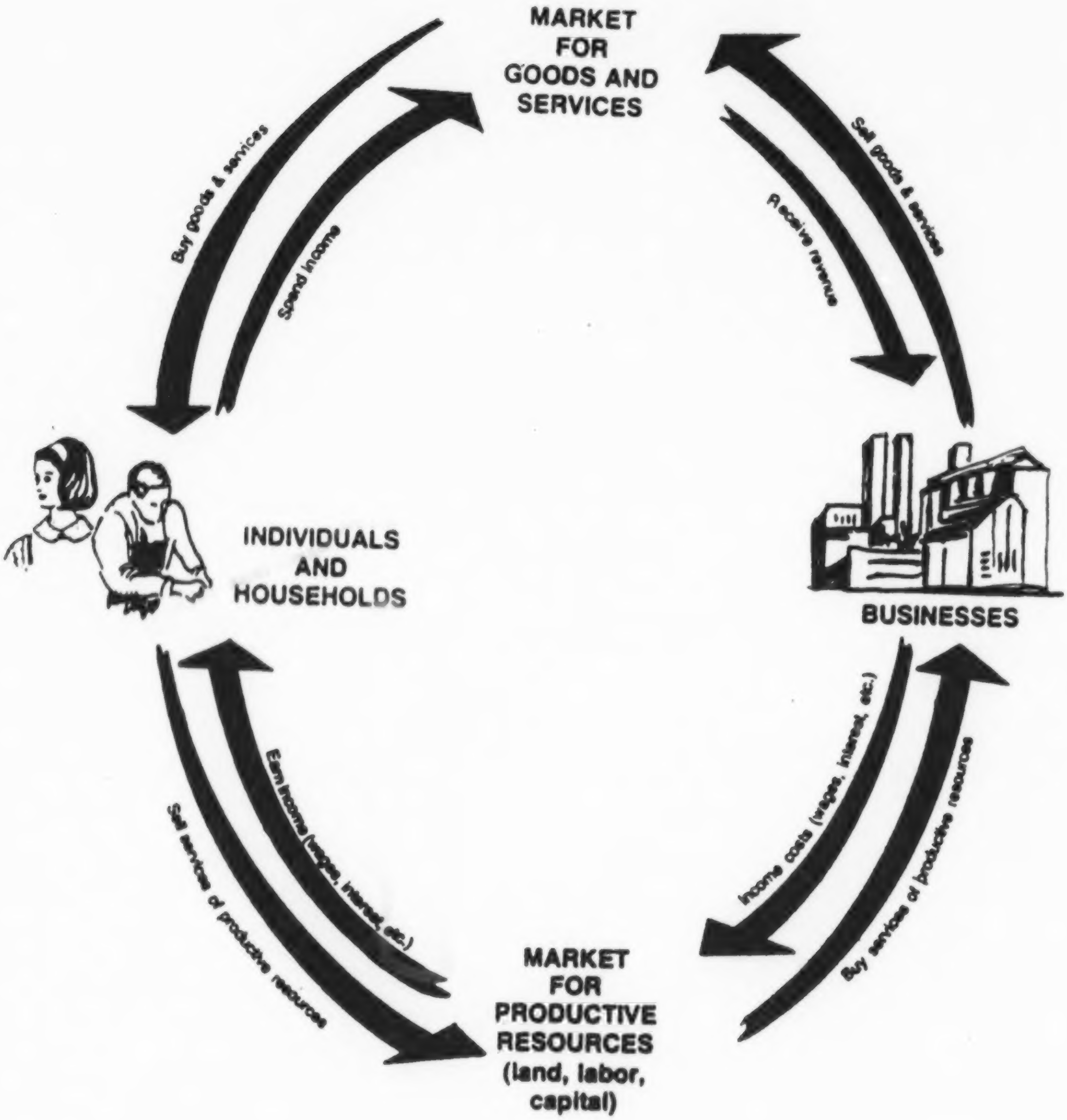
1. Write a paragraph and illustrate it, about the kind of career you want when you are grown, why you chose it, and what you know about it.

2. Create a large circular flow chart for a bulletin board.

3. Interview persons involved in direct sales for companies such as Avon, Amway, Mary Kay, Tupperware, etc. and have them explain how their business can be profitable after expenses.

Attachment A

THE CIRCULAR FLOW OF ECONOMIC ACTIVITY


MARKET FOR GOODS AND SERVICES
Buy goods & services
Spend income
Sell goods & services
Receive revenue
INDIVIDUALS AND HOUSEHOLDS
BUSINESSES
Earn income (wages, interest, etc.)
Sell services of productive resources
Income costs (wages, interest, etc.)
Buy services of productive resources
MARKET FOR PRODUCTIVE RESOURCES (land, labor, capital)

Attachment B

A McDonald's Coins Big McMoney

Angelo Lencioni's first year in the fast-food business was about as inspiring as a Big Mac on a stale sesame-seed bun. His 180-seat McDonald's just north of Chicago's Loop grossed roughly $1 million in the 12 months following its December 1981 grand opening--a beefy 30 percent less than an average outlet's revenues.

Lencioni, then 48, took a chance. He opened a second McDonald's near the first in downtown Chicago. But he vowed this restaurant would be different from his first and for that matter from any other McDonald's. By slowly reinvesting profits, he gradually packed it with $1 million worth of rock-'n'-roll-era memorabilia, including Wurlitzer jukeboxes, James Dean and Elvis Presley posters, life-size papier-mache sculptures of the Beatles and a red '59 Corvette. Six years later, the 350-seat place, which never closes, lures an estimated 10,000 diners and gawkers a day and grosses $5 million a year (probable profit: 9 percent or $450,000), making it in all likelihood the highest-volume McDonald's--and possibly the most profitable--in the U.S.

For Lencioni, festooning his second franchise turned out to be such financially rewarding fun that he and his partner, Kathy Connelly, have gone back and outfitted the original store with American Indian curios. (Connelly is the now remarried widow of Lencioni's cousin and original collaborator, Donald Lencioni, who died of a heart attack in 1982.) Business at that location has almost doubled since the 1985 remodeling. In addition the partners have opened a third McDonald's in the neighborhood--decorated as a paean to the Hollywood western. The three franchises gross around $10 million a year and throw off an estimated $900,000. "I know it's crazy," says Lencioni of his constant redecorating. "I spent $900,000 on the three restaurants last year." Crazy like a fox. He knows glitz is golden.

Lencioni, who declines to discuss his own annual earnings, began his restaurant career washing dishes at his family's downtown Chicago spaghetti house, Armando's. He got a college degree in hotel and restaurant management from the University of Denver in 1961, and spent most of the next 19 years working in the family business. By 1980, however, he and Donald, who also worked at Armando's, were ready to set out on their own. They applied for a McDonald's franchise in March 1980 and signed the standard agreement, thereby committing themselves to pay the parent company about $450,000 for franchise rights and interior fixtures such as ovens, dishwashers, counter, tables, and chairs. Opening the place took all the money they had; Angelo even had to sell most of his furniture. Now, according to restaurant industry analysts, Lencioni probably pays McDonald's 13 percent to 15 percent of monthly revenues as rent on his units.

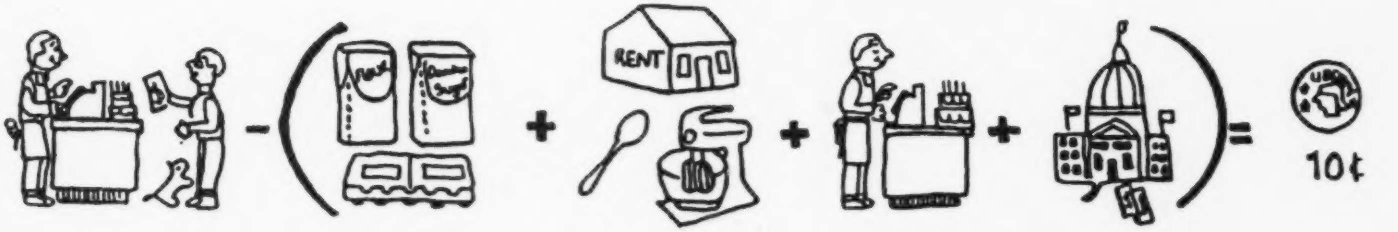
McDonald's, famed for its overall cookie-cutter formula for success, is also known in restaurant circles, somewhat surprisingly, for a policy of encouraging franchises to suggest new menu items and try bold interior designs within the boundaries of family appeal. Still, no franchise has tested McDonald's flexibility more than Lencioni. Says he: "McDonald's has been happy to foot the bill to expand this restaurant because they see that when I add more, I get more customers."

Lincioni, who is married and has two sons now spends most of his 80-hour workweek running the rock-'n'-roll show, staging Santa Claus visits, sock hops, and Chuck Berry concerts to bring in people of all ages. Meanwhile, minority partner (49 percent) Connelly, whose son and daughter are in their twenties, splits her 50-hour workweeks between the two other outlets.

"Money Makers: The Secret Formula: Guts, Glitz and Rock 'n' Roll" by Jan Alexander. Reprinted with special permission, MONEY Magazine, December 1987, Time Inc.

PROFIT

What is profit..



Income − (NATURAL RESOURCES + CAPITAL + LABOR + TAXES) = Profit

Income-costs of production & taxes=profit

ELEMENTARY ECONOMICS, UNIV. OF WEST FLORIDA, CENTER FOR ECONOMICS & MARKETING EDUCATION, 1981

Attachment D

Comparative Standard of Living

(approximate worktime[a] required for average manufacturing employee to buy selected commodities in retail stores in Washington, D.C., and at state-fixed prices in Moscow during May 1976)

Commodity	Washington, D.C.	Moscow
White bread (1 kg.)	21 minutes	20 minutes
Hamburger meat, beef (1 kg.)	34 minutes	3.5 hours
Sausages, pork (1 kg.)	71 minutes	2.6 hours
Potatoes (1 kg.)	8 minutes	7 minutes
Apples, eating (1 kg.)	16 minutes	5.4 hours
Sugar (1 kg.)	9 minutes	65 minutes
Milk (1 liter)	7 minutes	21 minutes
Eggs (10)	10 minutes	97 minutes
Vodka (0.7 liters)	67 minutes	9.8 hours
Cigarettes (20)	10 minutes	23 minutes
Soap, toilet (150 grams)	5 minutes	72 minutes
Lipstick	31 minutes	7.8 hours
Panty hose	17 minutes	9 hours
Men's shoes (black, leather)	6.7 hours	36 hours
Man's business suit	25 hours	106 hours
Refrigerator, small (150 liters)	47 hours	168 hours
Color TV set, large (59 cm. screen)	3.9 weeks	19.5 weeks
Small car (Fiat or Zhiguli)	6.9 months	3.1 years

SOURCE: Radio Liberty Research Supplement, June 16, 1976. Reprinted with permission of the National Federation of Independent Business, San Mateo, California.

[a] Worktime is based on average *take-home* pay of male and female manufacturing workers. Income taxes, social security taxes, and health insurance premiums in the United States have been deducted from wages; family allowances in the U.S.S.R. have been added. The data are for a worker with three dependents. Hourly take-home pay in January 1976 was $3.83 for American workers and $1.10 for Russian workers.

Attachment E

Name ______________________________ Class __________

Personal Income Per Capita, by States, 1980
(current dollars; national average = $9,521)

____	Alabama	$ 7,488	____	Montana	$ 8,536
____	Alaska	12,790	____	Nebraska	9,365
____	Arizona	8,791	____	Nevada	10,727
____	Arkansas	7,268	____	New Hampshire	9,131
____	California	10,938	____	New Jersey	10,924
____	Colorado	10,025	____	New Mexico	7,841
____	Connecticut	11,720	____	New York	10,260
____	Delaware	10,339	____	North Carolina	7,819
____	Florida	8,996	____	North Dakota	8,747
____	Georgia	8,073	____	Ohio	9,462
____	Hawaii	10,101	____	Oklahoma	9,116
____	Idaho	8,056	____	Oregon	9,317
____	Illinois	10,521	____	Pennsylvania	9,434
____	Indiana	8,936	____	Rhode Island	9,444
____	Iowa	9,358	____	South Dakota	7,806
____	Kansas	9,983	____	South Carolina	7,266
____	Kentucky	7,613	____	Tennessee	7,720
____	Louisiana	8,458	____	Texas	9,545
____	Maine	7,925	____	Utah	7,649
____	Maryland	10,460	____	Vermont	7,827
____	Massachusetts	10,125	____	Virginia	9,392
____	Michigan	9,950	____	Washington	10,309
____	Minnesota	9,724	____	West Virginia	7,800
____	Mississippi	6,580	____	Wisconsin	9,348
____	Missouri	8,982	____	Wyoming	10,898

SOURCE: *Statistical Abstract of the United States, 1981* (102d Edition), U.S. Department of Commerce, Bureau of the Census, 1981, p. 429

THE UNITED STATES OF AMERICA
N
0 50 100 200 300
Scale of Miles

Attachment F

Grade Level: **Sixth** Concept: **Unemployment**

Teacher Terms

The labor force is composed of people aged 16 and older who are either gainfully employed or actively seeking gainful employment. The unemployment rate is the percentage of the labor force considered to be unemployed.

Student Terms

The government defines the labor force as people at least 16 years old who either have a job or are actively looking for work. When you divide the number of people unemployed by the labor force and then multiply that by 100, you get the percentage of people unemployed, called "the unemployment rate."

Objectives

The sixth grade student will be able: **to define "labor force," "unemployment," and "unemployment rate."**

Focus

1. Define labor force as people who are aged 16 and older who are either employed or actively seeking work. Discuss the importance of proper training and being able to be trained.

   Inform the students that they are all employees of a large candy-making company. The owner has recently purchased a new computerized machine which will make candy-making more efficient. All employees must attend a two-week training session to become proficient in operating the equipment.

   Have students roleplay a meeting in which the employer discusses this situation with an employee. Include in the skit:

   a. What factors the employer should consider in deciding whether to invest in the employee's training?
   b. What relationships exist between investment in capital goods and human capital (employee training)?
   c. Why would the investment in human capital be beneficial?

2. Divide the class into groups of five or six. Have each group brainstorm Help Wanted ads from different historical periods, e.g., Stone Age, American frontier, medieval period, the Greek Empire, etc. Make sure they indicate how or where these ads will be seen by unemployed people. They should include the duties of the worker, the qualifications required, the hours to be worked, and the pay. Groups can then share oral ads and/or display printed ads on the bulletin board.

Modeled and Guided Practice

1. Bring in a newspaper that includes the Help Wanted section. (The employment section of a large city Sunday newspaper would be especially helpful.) Discuss different types of jobs. Help the students make a list similar to the one below:

   Part-time
   Special skills needed
   No special skills needed
   College degree required
   Set salary - commission only

Other job classifications may be required, but students need to understand each type. Working in groups, students are to find at least one advertisement in the employment section that fits each classification.

2. Provide students with a copy of the Occupational Outlook Handbook (your library media center may have one; if not, contact a local job placement service). Discuss occupations that are popular today and how trends have changed over the years. Help students identify which occupations are likely to offer the most opportunities in the next 10 years. Use a product map and a geographical features map to discuss ways occupations are influenced by locations.

3. Use an almanac to research unemployment statistics by state. Discuss reasons for differences among states. Compare unemployment statistics to location.

4. Invite a member of a labor union to the class to discuss purposes of the union. Ask the visitor to discuss ways the union operates in trying to achieve its goals, whether or not he/she thinks labor unions are successful in their purpose, and why.

5. The goal of this activity is to help students realize that they are workers at the present time, and that the habits, skills, and attitudes they develop now have a direct effect on their ability to perform later. Begin the lesson by asking the class what they think makes a good student. Through classroom discussion, students should be guided to develop a list of habits, skills, and attitudes that help one perform well in school. Although each class is free to develop its own list, a basic list includes:

   - follows directions
   - asks questions to clarify instructions
   - stays on a task until it is completed
   - puts forth his/her best effort
   - completes work neatly
   - is punctual
   - considers other people
   - learns to accept supervision

   Emphasize to the class that as they work at a task they are faced with various options -- to complete a job with maximum effort, with some effort, with minimal effort, or not to do the job at all. Explain that the attitudes they choose affect their performance, and that these same attitudes also contribute significantly to how well adults perform in the workplace.

   Instruct the class to review their list of characteristics of good students, and ask themselves how each of these same skills, attitudes, or habits might be needed by adults in the workplace. Point to the skill, "follows directions." Ask the class if they can think of an instance in which a worker may need this skill. If students need help, give an example of a particular job or task such as a pilot landing a plane in fog, a reporter using a computer to write an article, a lumberjack sawing a tree, a seamstress making a gown. Ask the class, "Why is this particular skill important to the performance of this worker?" and "What could be the consequences if this worker didn't have this skill?" Guide the students to see that the results could be costly, time-consuming, and even disastrous. Explain that workers who "follow directions" usually do a job correctly and in less time (a benefit) and that workers who don't may waste time and will be held responsible for their errors (a cost of not following directions).

   Follow the same procedure with the other characteristics on the list. Use familiar jobs or tasks to demonstrate each listing. Focus on the positive and negative consequences of having/not having each skill, attitude, or habit listed. The following examples may be used for each of the items listed above: for an actor auditioning for a new role, for a detective following up on leads on a case, for a farmer planting, for a new supervisor of a stereo assembly line, for a school principal conducting a faculty meeting, for a grocery store clerk/cashier.

   Reference: Chevallier, Edward and Risik, Martha, "Cultivating Capabilities," Elementary Economist, vol. 8, no. 3, p. 10.

Independent Practice

1. Contact personnel managers of large companies in the area. Seek information about how much job opportunities have changed in recent years. Research prospects for jobs in the coming years. Look for examples of ways jobs are changing because of changes in technology.

2. Obtain career manuals from the school counselor or the library media center. Find one career that requires a substantial investment in human capital and one career that requires little investment after high school. List advantages and disadvantages (benefits and costs) of each career. You may work in small groups.

3. In 1985, the population of the United States was 230 million. The work force was approximately 107 million. Within that number, there were four types of workers:
   a. White collar workers -- workers whose duties do not call for the wearing of work clothes or protective clothing (52 percent of the work force)
   b. Blue collar workers -- workers whose duties require the wearing of special work clothes or protective clothes (32 percent of the work force)
   c. Service workers -- workers who provide services (13 percent of the work force)
   d. Farm workers -- (3 percent of the work force)

   After discussing these categories:
   (1) List as many occupations as possible that you can think of in each category. Use telephone directories and newspapers for research.
   (2) Research the statistics from previous years. Use years that were associated with major historical events. Attempt to locate the percentage breakdown of the types of workers. Discuss reasons for the differences.

4. Interview an adult who lived during an historical event or period of time such as the Great Depression, World War II, the Vietnam War, or some other major world event. Have the speaker describe changes in jobs, prices, and daily living during that time period.

5. (Several days before this activity, the teacher should gather the Help Wanted ads from the classified section of a daily newspaper.) At the beginning of the class, students share their career goals. List several ideas for future careers. Read the Help Wanted ads the teacher has collected. Find ads that fit your career goals and then list these ads. As a class activity, share the information you have found. Discuss why some jobs are plentiful in your area and why others are not. Discuss the role of scarcity in the job market, the imbalance between needs of individuals and the number of jobs available. What do people do if there is no job available? How might salaries be affected if there are too many jobs and not enough workers? And the reverse, if there are more workers and not enough jobs? Participate in a discussion of the options available to students if there are no jobs that fit their career goals. What might you have to give up to have a job? What are some of the trade-offs involved, e.g., lower salaries, a move to another community, more or new job training, a change in goals, etc.? For closure, write a short essay on the trade-offs you must make to attain your career goal.

Evaluation

1. Students will write two kinds of compositions.
   Classification (Compare and Contrast): Many good workers earn $5 an hour while some physicians and lawyers may earn more than $75 an hour and many professional athletes earn hundreds of thousands of dollars each season. Students will write an essay comparing types of jobs. They should include advantages and disadvantages of each, skills needed, and special qualifications.

Persuasive: Students will select a specific occupation and write a letter to a friend convincing him/her that the occupation deserves consideration in the friend's career planning.

2. Students will apply the standard definition of the labor force (found elsewhere in this lesson) to decide whether each of the following would be a member of that category:
   - an elementary school student who has a paper route
   - an army captain
   - a retired butcher
   - an insurance salesman
   - a woman who has decided not to work outside the home until her children are in school

3. Tell the students they are all members of the labor force who are currently unemployed. Read aloud (or have students find in newspapers) several Work Wanted advertisements. Each student should write his/her own ads, identifying characteristics and qualifications they think would be assets in a job.

4. Given the following problem, students will correctly calculate the unemployment rate: Jones County has 200,000 people. Of that population, 70,000 are full-time housewives, students, children, retired people, and people not looking for work. Of the remaining residents of Jones County, 110,000 have jobs. What is the unemployment rate of Jones County?

5. Have students contact City Hall or the Chamber of Commerce to find out what the unemployment rate is in your area.

6. Have students research various countries to identify important resources in these countries. Many occupations are directly related to the availability of resources. The students should identify what occupations would be associated with the available resources in that country. In addition to using the available resources, what resources should be imported to produce other items?

Extension

1. Invite a job counselor into the classroom to speak to the class about the changing job market. Have him/her review important job skills needed for any occupation. Some questions for discussion may be:
   - What special job skills should a high school student try to develop before entering the job market?
   - What job skills are most (least) helpful in locating a job?
   - How does the job market change for students who continue school and get a college degree?

2. Have a group of students interview a representative of the Chamber of Commerce, a local employment commission employee, or someone from a job placement service. They should attempt to find out several things in the interview:
   - What are some major causes of unemployment in the area?
   - What is the average length of time people are unemployed?
   - What unemployment benefits are available?
   - What steps must an unemployed worker follow to receive benefits?
   - How much does the unemployment rate change during summer? Christmas?

3. This activity helps students understand that human resources are the most important type of resource. It also serves to alert them to career changes and decisionmaking. Students are to collect three to six generations of family career histories, then use a format similar to a

Family Tree to make a Career Tree. (Send a letter home to parents to involve them in the activity.) Those who do not have access to family histories may use career histories of famous people such as U.S. presidents. After displaying Career Trees in the room, the class can make a listing of the careers from the Classroom Career Forest, then use the list to discuss career differences. Discussion:

- What career changes do you notice from generation to generation?
- Which careers are related to a geographic region? (e.g., mining, forestry, recreation)
- Examine and discuss the importance of natural resources to a region's job market.
- Discuss the importance of human resources. (individual's skills, talents, knowledge and energy in providing society's needs and wants)
- Examine changes in the employment of women.
- Compare the number of jobs related to the production of goods with those related to the production of services. Any changes over the generations?
- Make career projections on your Career Tree for the next three generations. Predict trends.

4. What If? Students will develop an understanding of the daily traumas and triumphs often associated with jobs, then project and describe a day without a particular product or service (provided by various jobs and careers). Obtain media examples about recent strikes or layoffs and discuss their effects on workers and their families. Then ask, "What if we had a day without _____?" (Examples: telephone service, electricity, water, gasoline, doctors, public transportation, grocery stores) Students may write, make a dramatic recording, illustrate, or pantomime the answer. Then ask, "How do personal priorities (interests, values, talents) affect career choices? Ask students to list the 10 careers they feel are the most important and why. Have them compile and share results with parents.

Reference: Career Tree: A Forest of Choices (Bilbrey, Sandra, "Choices & Challenges," Elementary Economist, vol. 5, no. 1, p. 10.)

5. Students can understand that many different skills are needed for production and that some jobs require more ability and training than others. The concepts of division of labor and specialization can be developed by examining the many people required to produce a television news broadcast. Prepare an illustration (or photo) that shows the various people employed in a TV newsroom.

Have the students identify each of the following: news anchor, camera operator, weather reporter, director, audio technician, make-up artist, janitor, sports reporter, etc. Questions for discussion:

- Which jobs require special abilities or talents?
- Which require training in a technical skill?
- Is there a facility/school nearby that trains individuals in these technical fields?
- What is the cost of such technical training as compared to a four-year college education in terms of both time and money?
- Can we draw conclusions regarding the salaries of the director or news anchor, compared to those of the audio technician or camera operator?
- Are there cases in which individuals with less formal education, receive higher wages than those with more education? (Yes, for example a bus driver may receive higher wages than a social worker with a master's degree or a professional athlete more than a professor.)
- Why does this occur? (When there is a demand for a particular job and few people available to fill it, then it pays a higher wage.)

Enrichment: Produce a TV news broadcast in the classroom. Students can apply for various positions and be hired for jobs. Videotape the news show. Review, edit, and tape again.

Additional Resource Materials

- Trade-Offs, Lesson 8 "Learning and Earning"
- Give & Take, Lesson 6 "A Key to Productivity: Human Capital"
- Newspapers (with the classified section)
- Occupational Outlook Handbook
- Career manuals
- Almanac
- World product map
- World map showing geographic features
- Resource speakers: job counselor; speaker with knowledge of the Great Depression, World War II, or the Vietnam War; labor union member

Grade Level: **Sixth**

Concept: **Absolute and Comparative Advantage and Barriers to Trade**

Teacher Terms

International trade involves exports and imports. Exports are goods and services produced in one nation but sold to buyers in another nation. Imports are goods and services bought from producers in another nation. Facilitating trade promotes specialization and increases total world production.

Student Terms

International trade involves selling some of our products to other countries as exports and buying some of their products as imports. Facilitating trade promotes specialization and increases total world production.

Objectives

The sixth grade student will be able: **to explain the role of specialization in the production and trading of goods and services.**

Resource Materials

- Cereal boxes
- Catalogs
- Magazines
- Newspapers
- Resource speakers: bank official, department store manager, Chamber of Commerce representative
- U.S. map, world map
- Comparative Advantage (Nixon, Ila, Ed., Economic Education for Arkansas Elementary Schools Teaching Guide, Rev. 1977, pp. 212-213)
- Exports and Imports (Hales, Bruce and Shilling, Tim, "Prices At Home and Abroad")
- Elementary Economist, vol. 10, no. 2, pp. 11-12
- My Breakfast Cereal -- From Where? Carey, Jean, "Flow of Natural and Labor Resources,") Elementary Economist, vol. 11, no. 2, pp. 8-9)
- Expressive Narrative (Harrison, Beverly, "Oil -- Pipeline or Lifeline?" Elementary Economist, vol. 11, no. 2, p. 10

Focus

1. Many products that we purchase are produced using resources from a number of different countries. Some articles of clothing are identified with tags saying "Assembled in . . ." The cotton for the fabric may have come from the United States, and the clothing may have been designed in a country such as Italy.

   Hold up such an article of clothing. Have the students brainstorm and list steps that were involved in producing the garment. Discuss also which countries were involved in the production.

   Lead students to realize that specialization allows countries to participate in the production without spreading their supply of resources too thin. Because of a low cost of labor or natural resources, United States companies often find it economical to involve other countries in production of items.

2. Ask students to identify items they are wearing (clothes, shoes, jewelry) that are foreign made. List each item on the chalkboard and the country from which it is imported. Remind students that they daily use many other imported items. Have the students brainstorm and list steps that were involved in producing some of the items listed on the chalkboard. Discuss also which countries were involved in the production.

Modeled and Guided Practice

1. Identify the major regions of the world (continents or regions such as hot and dry, cold and dry, hot and humid, etc.) Discuss characteristics of each of the regions. Have students research to determine economic resources and food crops of each region. In their research, students should also determine whether their resources and food crops yield a surplus, allowing them to export, or do they have to import because they cannot meet the needs of their own region? Encourage the students to use resource materials and/or contact government agencies in locating information.

2. Diagram the production of a product that has gone from one country to another in the course of its production. Define the term "specialization." Discuss ways the countries involved are participating in importing and exporting goods in various stages.

3. Research different resources (capital and natural) that are found in abundance in the United States. As a class, prepare a world map with lines from the United States to the countries where these resources are used.

Independent Practice

1. Working in a small group, study a country of the world in depth. Resources for research may be found in a variety of locations (this is an excellent opportunity for letter writing practice):
   - people whose family came from the region
   - tourist bureaus or consulates
   - reference materials
   - magazines and publications from that part of the world
   - foreign airlines with offices in the United States

   In your research, each group should attempt to locate certain information:
   - productive resources of the country
   - the form of economy
   - population and land size
   - population density
   - average income
   - average education
   - exports
   - imports
   - the type of government

   After researching one area of the world, do a number of the following activities:
   - Write and draw descriptions of the major characteristics of the area.
   - Make a collage of major economic resources of the area.
   - Make up a skit, talk show, or news show about the area of the world.
   - Write, draw, or otherwise tell about one of the major industries of the area.
   - Chart or graph the major economic resources and foods of your region.

2. Some raw materials the United States uses in the production of items cannot be found in this country or can be found in limited quantities. Research the following resources and complete the chart:

Raw Material	Country that Exports Material	Use of Resources
Chromium		
Manganese		
Asbestos		
Cobalt		
Tantalum		
Columbium		
Industrial diamonds		
Strontium		

3. Working in a small group, study an historical period (or a different decade in this century). Research international trade during that period. Your research should address the following:
   - With which countries did the U.S. trade (major trading partners)?
   - What were types of products traded?
   - What trade restrictions or legislation were passed?
   - What were the dollar amounts of imports and exports?

Evaluation

1. Students will tell or list products that we use that come from other countries, either in whole or in part, e.g., clothes, cars, cheese, computers, cameras, gasoline, etc. They will explain what the consequences would be if these products were no longer available.

2. Students will write two compositions:
   Descriptive: Students will tell the story of a product, e.g., "I am a car . . ." that is produced by several different countries working together. In their descriptions, the writers will identify parts of the car and where these parts probably came from. Their papers should include references to the need for importing, exporting, and specialization.
   Classification: Discuss reasons a country such as England specializes in manufactured goods (large population and a small land area). Students will compare an industrial country with an agricultural country. (Australia has a small population and a large land area.)

3. Students will imagine how their lives would differ if the United States were no longer able to import oil from the Middle East or other parts of the world. Then they will write a one-page scenario describing difficulties we would have in one of the following areas: transportation, entertainment, education, purchasing consumer goods, travel, or business. What kinds of substitutions could be made in each of these areas? Interview survivors of the 1973 oil embargo for ideas. Then read the stories aloud in class and compare the different areas.

Extension

1. Have students contact business people in your area who use resources from other parts of the world to manufacture their products. They should find out:
   a. what they import
   b. where it comes from
   c. why it is purchased in a foreign market
   d. how they learned about its availability

2. Encourage students to visit a local department store, grocery story, or import store. Look at labels to find out where things are made. Have students work in groups to compare their lists, then chart findings.

3. Make a bulletin board with newspaper articles dealing with foreign trade and trade imbalances. In the center of the bulletin board, place a world map. If the article addresses a particular country, draw a line from the article to that country.

4. Invite a representative from the Chamber of Commerce, a bank, or a firm that exports and imports items to discuss the impact of trade restrictions on businesses in your community.

6. After sufficient discussion of world regions, world trade, and ways countries are interdependent, have students work in groups to do one of the following:
   - Design a real or hypothetical import/export business.
   - Simulate a world trade center.
   - Design a world trade game.

Grade Level: **Sixth**

Concept: **Role of Government**

Teacher Terms

Operating a government requires shifting scarce resources from the private to the public sector.

Student Terms

Productive resources that are used by the government cannot be used by private producers to make things for consumers.

Objectives

The sixth grade student will be able:

to research and describe tax-related legislation, describe the relationship between the public and private sectors, and compare states and their taxing policies.

Resource Materials

- Give & Take
- Lesson 7 "Private or Public? Public Goods and Services"
- Lesson 8 "Changing Taxes: Public Goods and Services"
- Federal tax form
- United States map
- Newspapers
- Telephone books
- Resource speakers: city, county, or state government representative

Focus

1. Have students read the article, "Currency and Trade Problems After the Revolutionary War" (Attachment). Afterwards, have students discuss what economic problems led to the framing of the Constitution of the United States.

   Discussion Questions:

   a. Why did the United States have trade problems with other countries following the Revolutionary War?
   Answer: Countries that had not been paid back the money they had lent the United States during the war did not want to do business with Americans. They had lost confidence in young America because the United States had failed to pay back its debts.

   b. Why might taxes on goods coming from another state discourage trade?
   Answer: The taxes would raise the price on that good above the competitive price; therefore, the state wouldn't send any more.

   c. What were the kinds of money problems Congress was having during the year after the Revolution? Why were they having these problems?
   Answer: Some of the money being used was worthless because during the war Congress had printed large amounts of paper money and after the war Congress had no gold or silver to back the paper money. Another problem was that many states printed or coined their own money, and much of the paper money was worthless and the value of the coins was not honored in other states.

   d. What economic conditions led to Shay's Rebellion?
   Answer: The problems were based on the value of money. Creditors wanted to be paid by gold or silver which the debtors did not possess.

   e. How did the problems of trade and money faced by the United States bring about the creation of the Constitution?
   Answer: The nation's economy had been so badly damaged by trade and currency problems following the war that America's leaders decided to meet in May of 1787 at Independence Hall in Philadelphia to resolve these and other problems. This special meeting led to the framing of the Constitution.

Modeled and Guided Practice

1. Have students bring in news articles about public finance from the local newspaper or national magazines. Make a class bulletin board divided into three parts: national taxes, state taxes, and local taxes.

2. Divide the class into groups. Have each group research one example of shifting resources from the private to the public sector. Topics for research may include individual income tax (federal and state), Social Security, property tax, sales tax, estate tax. Student reports should include who started the tax and why, when the tax was first begun, and ways the money is spent.

3. Draw a hypothetical pay stub showing gross income and various tax deductions on the board or a poster. Discuss how these taxes are used. Why are some taxes deducted from a paycheck while others are not? Identify some taxes which are not deducted.

Independent Practice

1. Keep an account of the items you purchase for one week. List the amount of tax paid for each item.

   Help prepare a class graph showing these totals. The graph may show the amount of taxes paid each day for five days or may divide the taxes into categories: food, toys, books, clothes, etc.

2. Government provides us with some goods and services. Working in groups, list goods and services government provides its citizens. (e.g., national defense, public highways, public housing, Medicare, Medicaid, etc.) List as many as possible. Add to your list, other things you think governments could provide for people in a society. (Examples: a computer for every school, summer camps for city children, clothing and food for all poor people, a car for every family that needs one, free college education, or vocational training)

   After the lists have been compiled, discuss the following questions:
   a. How would government pay for these goods and services? (taxes)
   b. Would there be enough tax money (revenue) to provide all the things (wants) you have listed? (no)

   Since governments have wants, just as individuals or families have wants and needs, decisions must be made regarding how to use the tax money available. Governments, like people, face the problem of scarcity. Each group should go through its list and decide the following:
   c. Rank the goods and services you have listed (using 1, 2, 3, etc.), according to which you feel are most important for government to provide. List your reasons for including this good/service in your list.
   d. To provide these services, government must tax members of society. Next to each service you have listed, note what type of tax should be used to pay for this service: general tax (everyone pays) or user tax (people using the good or service pay, as with a sales tax). Also, note the reasons for deciding on this type of tax.
   e. What would be some effects of government providing this service? (Consider short- and long-term effects. For example: Although an immediate problem may be solved, in the long run will all people benefit from this good/service?)

   Each group should appoint a spokesperson to report the decisions to the class. (The teacher lists on the chalkboard, the goods and services suggested by the groups.) Address the following questions in a discussion, a written assignment, or a debate:
   - Could some of the services be provided by private business? Which ones?
   - What would be the advantage (benefits) and disadvantages (costs) of having these

services provided by government?

- As time goes on, will the costs of having government provide this service continue, decline, or increase? (Would more people, in time, want and expect this good or service?)

3. Working in a small group, determine the best solution to the following problem. You have been asked to advise the superintendent of a school district about programs to eliminate next year. The voters of the state have just put a lid on school district spending, thus reducing the tax burden on citizens. No school district can spend any more money than it is spending during this school year. Yet inflation is expected to continue. Since the dollar will buy fewer goods and services next year, some programs, supplies, or staff must be reduced. The school district has 4,500 students, 280 teachers, five elementary schools, one junior high, and one senior high.

   Several suggestions have been made for possible program cuts. The yearly cost to the school district for each of these has been estimated. You must choose a combination of programs to be eliminated that would save the district at least $200,000. Possible criteria for the cuts include: affects few students; duplicates other programs in community; could be done by parents. Be prepared to present your suggestions to the superintendent.

Suggested Cuts	Estimated Yearly Cost
High school track program	$ 12,000
Gifted program - Grades 4-8	40,000
Orchestra - Grades 7-12	20,000
Elementary school counselors	90,000
Five elementary school teachers	75,000
Junior high school remedial math and reading	40,000
One-half of the district's vocal music program	60,000
Two of three foreign languages offered	35,000
Elementary physical education teachers	50,000
Girls' basketball	8,000
Elementary school librarians	85,000
High school baseball program	10,000
Elementary art teachers	55,000
High school drama department	20,000
All school nurses	100,000
One elementary school	125,000

Evaluation

1. Using telephone books, students will research to determine what services are provided by local, state, and federal governments. Draw a diagram (such as a web or semantic map) indicating ways the money leaves the private sector in the form of taxes and returns in the form of services.

2. Students will write a composition.
   Expressive Narrative: Imagine that you live in a country where no property rights exist. There also is no uniform system of weights and measures. Write a story about problems you face in such a society.

3. This activity is designed to help students identify the goods and services provided by government that benefit them and their families as well as the community as a whole. After a class discussion to clarify the difference between goods and services, students will become more conscious of the goods and services provided by the local, state, and national governments by doing the following activities.
   a. Journals: Each student will keep a journal for one week. In the journal he/she will keep a daily account of the goods and services that he/she uses. (For example: March 1: roads to go to school; pencil; bicycles; etc.)
   b. Booklets: Students will make booklets from 8 x 10 construction paper. The booklets should be entitled, "Goods and Services I Use." There should be a title page and a contents page with the booklet divided into the following chapters:
      (1) Goods Provided by Government
      (2) Goods Provided by Business
      (3) Services Provided by Government
      (4) Services Provided by Business

      Each student should collect a minimum of three pictures from magazines for each chapter.
   c. Mural: Our Taxes Buy Useful Goods and Services: The class will be divided into three teams, with each team assigned to find ways that taxes are spent. The teams should be called Federal Taxes, State Taxes, and City (or County) Taxes. Each team will explain where tax dollars come from. The mural should be divided into three sections--the federal, the state, the city or county. The mural could be entitled, "Your Tax Dollars Provide . . ." Under each heading will be a drawing of various things that particular taxes support.

      The mural could be limited to help students understand local taxes. Divide the mural into two parts: Taxes and No Taxes. A drawing under the first heading should show a picture of your community with tax-supported goods and services.

4. Tax Changes and Their Effects (Allen, p. 11.) Tell students to pretend they have part-time jobs making $40 per month. Of that amount, 5 percent is withheld as tax. Ask: How much money do you actually take home? ($38) What are some things you can do with that money?

   Now, the income tax rate is changed from 5 percent to 10 percent because the government needs more money to provide goods and services for people and/or pay past bills. How much has your tax increased in dollars? ($2) Now, with the new tax, how much money do you get from your job? ($36)

   What would be some changes you would make in your spending and saving? Explain that their parents must make similar decisions. Pose these questions and ask students to consider them in writing a news article or in drawing a diagram that illustrates the effects of a tax increase.
   a. What effect will a tax increase on your pay have on businesses in your area (shopping mall, movie theater, skating rink, video store)?
   b. What effect will the tax increase have on the bank where you have your savings account?
   c. What effect will the tax increase have on the amount of goods and services provided by government and on the number of people employed?

Extension

1. Invite a representative from city or county government to talk to the class about local taxes. Discuss benefits of raising and lowering taxes and how the local community is affected.

2. Invite a state representative to the class. Ask the guest to discuss how decisions are made about spending tax dollars, whether or not to raise taxes, and other decisions that require state funding.

3. Encourage students to go on a scavenger hunt in the community. Give them a list of items similar to the following. Have them complete the chart:

Item	Price	% Tax	Total Price with Tax
one gallon milk			
D.Q. Beltbuster			
t-shirt			
package of cough drops			
spiral notebook			
one gallon gasoline (extension)			

4. Clip want ads for available jobs from a newspaper. If a salary is not already stated in the advertisements, randomly assign a salary figure to each. Obtain a federal tax form that lists the tax rates. Have students figure how much taxes each job holder would pay.

Additional Resource Materials

- What Should Government Provide? (Allen, Carol, "Sink or Swim?", Elementary Economist, vol. 5, no. 4, p. 10)
- Who Benefits? (Wagner, Karen and Dempsey, Joanne, "Who Pays? Who Benefits?" Elementary Economist, vol. 9, no. 2, pp. 8-9)
- Nation's Economic Problems Create Need for Constitution (Dale, Larry and Jackson, Polly, "The Road to Philadelphia", Elementary Economist, vol. 9, no. 1, pp. 10-11)
- Budget Cuts in Economy School District (A Guide to Give & Take, Agency for Instructional Television, 1982, p. 34)

COMPLIANCE STATEMENT

TITLE VI, CIVIL RIGHTS ACT OF 1964; THE MODIFIED COURT ORDER, CIVIL ACTION 5281, FEDERAL DISTRICT COURT, EASTERN DISTRICT OF TEXAS, TYLER DIVISION

Reviews of local education agencies pertaining to compliance with Title VI Civil Rights Act of 1964 and with specific requirements of the Modified Court Order, Civil Action No. 5281, Federal District Court, Eastern District of Texas, Tyler Division are conducted periodically by staff representatives of the Texas Education Agency. These reviews cover at least the following policies and practices:

(1) acceptance policies on student transfers from other school districts;

(2) operation of school bus routes or runs on a nonsegregated basis;

(3) nondiscrimination in extracurricular activities and the use of school facilities;

(4) nondiscriminatory practices in the hiring, assigning, promoting, paying, demoting, reassigning, or dismissing of faculty and staff members who work with children;

(5) enrollment and assignment of students without discrimination on the basis of race, color, or national origin;

(6) nondiscriminatory practices relating to the use of a student's first language; and

(7) evidence of published procedures for hearing complaints and grievances.

In addition to conducting reviews, the Texas Education Agency staff representatives check complaints of discrimination made by a citizen or citizens residing in a school district where it is alleged discriminatory practices have occurred or are occurring.

Where a violation of Title VI of the Civil Rights Act is found, the findings are reported to the Office for Civil Rights, U.S. Department of Education.

If there is a direct violation of the Court Order in Civil Action No. 5281 that cannot be cleared through negotiation, the sanctions required by the Court Order are applied.

TITLE VII, CIVIL RIGHTS ACT OF 1964 AS AMENDED BY THE EQUAL EMPLOYMENT OPPORTUNITY ACT OF 1972; EXECUTIVE ORDERS 11246 AND 11375; EQUAL PAY ACT OF 1964; TITLE IX, EDUCATION AMENDMENTS; REHABILITATION ACT OF 1973 AS AMENDED; 1974 AMENDMENTS TO THE WAGE-HOUR LAW EXPANDING THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967; VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1972 AS AMENDED; IMMIGRATION REFORM AND CONTROL ACT OF 1986; AMERICANS WITH DISABILITIES ACT OF 1990; AND THE CIVIL RIGHTS ACT OF 1991.

The Texas Education Agency shall comply fully with the nondiscrimination provisions of all federal and state laws, rules, and regulations by assuring that no person shall be excluded from consideration for recruitment, selection, appointment, training, promotion, retention, or any other personnel action, or be denied any benefits or participation in any educational programs or activities which it operates on the grounds of race, religion, color, national origin, sex, disability, age, or veteran status (except where age, sex, or disability constitutes a bona fide occupational qualification necessary to proper and efficient administration). The Texas Education Agency is an Equal Employment Opportunity/Affirmative Action employer.

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